



**\$1,000,000,000**  
**Resorts World Las Vegas LLC**  
**RWLV Capital Inc.**  
**4.625% Senior Notes due 2029**

Resorts World Las Vegas LLC, a Delaware limited liability company ("RWLV"), and RWLV Capital Inc., a Delaware corporation ("RWLV Capital" and, together with RWLV, the "Issuers"), are jointly offering \$1.0 billion in aggregate principal amount of our 4.625% Senior Notes due 2029 (the "notes"). RWLV Capital was formed as a wholly owned subsidiary of RWLV solely for the purpose of acting as a co-issuer of debt securities of RWLV. Other than acting in its capacity as a co-issuer of the notes and a guarantor under our Senior Secured Credit Facilities (as defined below), RWLV Capital will not have any operations or assets and will not have any revenues.

We will pay interest on the notes semi-annually in arrears on April 16 and October 16 of each year, beginning on October 16, 2019. The notes will mature on April 16, 2029.

Concurrently with the issuance of the notes, we will enter into a \$400.0 million term loan facility and a \$1,200.0 million revolving credit facility (together, the "Senior Secured Credit Facilities"). Obligations under the Senior Secured Credit Facilities will be secured by a first priority security interest in substantially all of our and the guarantors' existing and future assets, other than (i) certain real estate intended for future development (the "Future Land"), (ii) the amounts deposited in the Borrower Funds Account (as defined under "Description of Disbursement Agreement"), (iii) the net proceeds of this offering deposited in the Notes Proceeds Account (as defined under "Description of Disbursement Agreement"), (iv) our rights under the license agreement into which we will enter with Genting Intellectual Property Pte Ltd ("GIP") (the "GIP License Agreement") and the license agreement into which we will enter with an affiliate of Genting Berhad (the "RWLV License Agreement") and, together with the GIP License Agreement, the "License Agreements"), and (v) certain other customary exceptions. See "Description of Senior Secured Credit Facilities." Additionally, concurrently with the issuance of the notes, we expect Genting Berhad, through certain of its subsidiaries, to make a further indirect cash equity contribution to RWLV of approximately \$516.1 million to be deposited in the Borrower Funds Account (the "Closing Date Equity Contribution"), bringing the total cash equity contribution from Genting Berhad and its subsidiaries to approximately \$1.75 billion.

We intend to use the net proceeds of this offering, together with the proceeds from the Closing Date Equity Contribution, borrowings under the Senior Secured Credit Facilities and the other sources of funds described under "Use of Proceeds" to fund remaining costs associated with the design, development, construction, equipping, financing and opening of the Resorts World Las Vegas casino and integrated resort (the "Project Costs"), including all furniture, fixtures and equipment therein or attached thereto, and related amenities, all to be located in Clark County, Nevada (the "Project"), pay transaction fees and expenses associated with this offering and the Senior Secured Credit Facilities, and for working capital and other general corporate purposes, as described under the heading "Use of Proceeds." The net proceeds of this offering will be deposited into the Notes Proceeds Account pending their disbursement. See "Description of Disbursement Agreement."

Prior to January 16, 2029, we may redeem the notes at our option in whole at any time or in part from time to time, at a redemption price equal to the make-whole price described under "Description of Notes—Optional Redemption—Make-Whole Redemption," plus accrued and unpaid interest thereon, if any, to, but not including, the redemption date. On and after January 16, 2029, we may redeem the notes in whole or in part at any time at a redemption price equal to 100% of the aggregate principal amount of the notes redeemed plus accrued and unpaid interest, if any, to, but not including, the redemption date as set forth under "Description of Notes—Optional Redemption—Par Redemption." If we experience a Change of Control Triggering Event (as defined under "Description of Notes—Change of Control Offer"), we must offer to repurchase the notes at a repurchase price equal to 101% of the principal amount of the notes repurchased, plus accrued and unpaid interest, if any, to, but not including, the applicable repurchase date. The notes will also be subject to mandatory redemption requirements related to compliance with gaming laws and regulations of gaming authorities. See "Description of Notes—Optional Redemption—Gaming Redemption."

The Issuers' obligations under the notes will be jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis by each of RWLV's existing subsidiaries (other than RWLV Capital) that is a guarantor under the Senior Secured Credit Facilities, and by any future subsidiaries of RWLV that guarantee indebtedness under the Senior Secured Credit Facilities or certain other indebtedness of RWLV or a guarantor. See "Description of Notes—Guarantees." The notes and the guarantees will be general senior unsecured obligations of the Issuers and the guarantors, respectively, and will rank equally in right of payment with all of the Issuers' and the guarantors' respective existing and future unsecured and unsubordinated obligations; provided that prior to the Notes Collateral Release Date (as defined under "Description of Notes—Notes Proceeds Account"), the notes will be secured by a first priority lien on all amounts at any time on deposit in or credited to the Notes Proceeds Account, and will be effectively senior in right of payment to the Issuers' existing and future obligations, including borrowings under the Senior Secured Credit Facilities, to the extent of the amount (if any) then on deposit in or credited to such Notes Proceeds Account. The notes and the guarantees will be effectively subordinated in right of payment to all of the Issuers' and the guarantors' respective existing and future secured obligations, including obligations under the Senior Secured Credit Facilities, to the extent of the assets securing such obligations. The notes and the guarantees will be senior in right of payment to any of the Issuers' and the guarantors' future subordinated debt, if any, and will be structurally subordinated to all existing and future indebtedness and other obligations of the Issuers' and the guarantors' respective subsidiaries that do not guarantee the notes.

The Issuers are wholly owned indirect subsidiaries of Genting Berhad. In connection with the consummation of this offering, (i) Genting Berhad will enter into a keepwell deed (the "Keepwell Deed") with RWLV, Citicorp International Limited, as trustee and security trustee under the indenture governing the notes (the "Trustee") and Citibank, N.A., as the administrative agent and collateral agent under the Senior Secured Credit Facilities (the "Administrative Agent"), and (ii) Genting Overseas Holdings Limited ("GOHL"), a wholly owned subsidiary of Genting Berhad, will enter into a debt service funding agreement for the notes with the Trustee (the "Notes Debt Service Funding Agreement"), a debt service funding agreement for the Senior Secured Credit Facilities with the Administrative Agent (the "Facilities Debt Service Funding Agreement" and, together with the Notes Debt Service Funding Agreement, the "Debt Service Funding Agreements"), a change order funding agreement with the Trustee and the Administrative Agent (the "Change Order Funding Agreement"), and a key money funding agreement with the Trustee and the Administrative Agent (the "Key Money Funding Agreement" and, together with the Change Order Funding Agreement and the Debt Service Funding Agreements, the "Funding Agreements"), in each case, as more fully described under "Description of Keepwell Deed and Funding Agreements." None of the Keepwell Deed or the Funding Agreements constitutes a guarantee by Genting Berhad or GOHL of the obligations of the Issuers under the notes or the guarantors under the guarantees.

Application has been made to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for the listing and quotation of the notes on the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained in this offering circular. Admission of the notes to the Official List of the SGX-ST and quotation of the notes are not to be taken as an indication of the merits of the Issuers, the guarantors or the notes. The notes will be traded on the SGX-ST in a minimum board lot size of \$200,000 for so long as such notes are listed on the SGX-ST and the rules of the SGX-ST so require.

**Investing in the notes involves risks. See "Risk Factors" beginning on page 29.**

Offering Price: 99.273%, plus accrued interest, if any, from April 16, 2019.

The notes have not been registered and will not be registered under the Securities Act of 1933, as amended (the "Securities Act") or under any state securities laws and the notes are being offered and sold in the United States only to qualified institutional buyers in reliance on Rule 144A under the Securities Act ("Rule 144A") and to certain non-U.S. persons in transactions outside the United States in reliance on Regulation S under the Securities Act. Prospective purchasers that are qualified institutional buyers are hereby notified that the seller of the notes may be relying on Rule 144A. The notes are not transferable except in accordance with the restrictions described under "Notice to Investors."

The initial purchasers expect to deliver the notes in book-entry form through the facilities of The Depository Trust Company on or about April 16, 2019.

*Joint Global Coordinators*

**Citigroup**

**Barclays**

**J.P. Morgan**

*Joint Book-Running Managers*

**Barclays**

**BNP  
PARIBAS**

**Citigroup**

**DBS  
Bank Ltd.**

**J.P. Morgan**

**SMBC Nikko**

**Fifth Third Securities**

**KeyBank Capital Markets**

*Joint Lead Managers*

**Maybank**

**OCBC Bank**

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**No dealer, salesperson or other person is authorized to give any information or to represent anything not contained in this offering circular. You must not rely on any unauthorized information or representations.**

This offering circular is confidential. You are authorized to use this offering circular solely for the purpose of considering the purchase of the notes described in this offering circular. We and other sources identified herein have provided the information contained in this offering circular. Neither the delivery of this offering circular nor any sale made pursuant to this offering circular implies that any information set forth in this offering circular is correct as of any date after the date of this offering circular. Neither we, nor the initial purchasers named herein, nor the trustee or the agents make any representation or warranty, expressed or implied, as to the accuracy or completeness of such information, and nothing contained in this offering circular is, or shall be relied upon as, a promise or representation by us, the initial purchasers, the trustee or the agents. You should not consider any information in this offering circular to be legal, business or tax advice. You should consult your own attorney, business advisor and tax advisor for legal, business and tax advice regarding an investment in the notes. You may not reproduce or distribute this offering circular, in whole or in part, and you may not disclose any of the contents of this offering circular or use any information herein for any purpose other than considering the purchase of the notes. You agree to the foregoing by accepting delivery of this offering circular.

We have prepared the information contained in this offering circular. Neither we nor any of the initial purchasers has authorized anyone to provide you with any other information and neither we nor any of the initial purchasers takes any responsibility for other information others may give you. By purchasing the notes, you will be deemed to have made acknowledgments, representations, warranties and agreements as set forth in “Notice to Investors” in this offering circular. You should understand that you will be required to bear the financial risks of your investment for an indefinite period of time.

This offering circular summarizes documents and other information in a manner we believe to be accurate, but we refer you to the actual documents for a more complete understanding of the information we discuss in this offering circular. In making an investment decision, you must rely on your own examination of such documents, our business and the terms of this offering and the notes, including the merits and risks involved.

We reserve the right to withdraw this offering of the notes at any time. We and the initial purchasers also reserve the right to reject any offer to purchase the notes in whole or in part for any reason and to allot to any prospective investor less than the full amount of notes sought by such investor.

The notes initially will be represented by one or more global certificates in fully registered form without coupons and will be deposited with a custodian for, and registered in the name of, a nominee of The Depository Trust Company as depository.

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**Certain persons participating in this offering may engage in transactions that stabilize, maintain or otherwise affect the price of the notes. Such transactions may include stabilizing and the purchase of notes to cover short positions. For a description of these activities, see “Plan of Distribution.”**

**The distribution of this offering circular and the offering and sale of the notes in certain jurisdictions may be restricted by law. We and the initial purchasers require persons into whose possession this offering circular comes to inform themselves about and observe any such restrictions. This offering circular does not constitute an offer of, or an invitation to purchase, any of the notes in any jurisdiction in which such offer or invitation would be unlawful.**

**None of the U.S. Securities and Exchange Commission, any securities commission of any U.S. or non-U.S. state or other jurisdiction, any state gaming commission or any other gaming authority or**

**other regulatory agency (including, without limitation the Nevada Gaming Commission and the Nevada Gaming Control Board) has approved or disapproved the offer or sale of the notes, determined that this offering circular is truthful or complete, or passed upon the investment merits of the securities offered. Any representation to the contrary is a criminal offense.**

The notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and the applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. Please refer to the sections in this offering circular entitled “Plan of Distribution” and “Notice to Investors.”

It is expected that delivery of the notes will be made against payment thereof on or about the date specified on the cover of this offering circular, which is the tenth business day following the date of pricing of the notes (such settlement cycle being referred to as “T + 10”). You should note that trading of the notes prior to delivery of the notes may be affected by the T + 10 settlement. See “Plan of Distribution.”

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#### **NOTIFICATION UNDER SECTION 309B(1) OF THE SFA**

The notes are prescribed capital market products (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and Excluded Investment Products (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

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#### **TRADEMARKS**

We own or have rights (including rights under licensing agreements with certain of our affiliates) to certain trademarks, service marks and trade names that we use in connection with the operation of our business, including our corporate names, logos and website names. This offering circular also contains trademarks, service marks and trade names of other companies, which are the property of their respective owners. Solely for convenience, the trademarks, service marks, trade names and copyrights referred to in this offering circular are listed without the ®, ™ and © symbols, but such references are not intended to indicate that we will not assert, to the fullest extent permissible under applicable law, our rights to all trademarks currently licensed, service marks, trade names and copyrights. We do not intend for our use or display of other parties’ trademarks, service marks or trade names to imply, and such use or display should not be construed to imply, a relationship with, or an endorsement or a sponsorship of us by, those other parties.

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#### **INDUSTRY AND MARKET DATA**

We have reviewed and continue to review market and competitive position data to plan for the construction and operation of our business. We obtained the market and competitive position data used throughout this offering circular from our own research along with information supplied by sources that we believe are reliable. However, market data cannot be verified with complete certainty due to limits on the availability and reliability of raw data, the voluntary nature of the data gathering process and other limitations and uncertainties inherent in any statistical survey. Furthermore, market data, consumption patterns and consumer preferences can and do change. In addition, we have not independently verified any such third-party information and, consequently, it is possible that the market data and information may not be accurate in all material respects. Accordingly, you should not place undue reliance on such data when making your investment decision. The gaming market in Las Vegas

and surrounding areas is subject to continual change, including changes in the number of casinos and other gaming facilities and the size of and the number of gaming positions at such casinos and other gaming facilities. For these and other reasons discussed in this offering circular, including the “Cautionary Note Regarding Forward-Looking Statements” and “Risk Factors” sections, estimates of and other statements regarding our future performance could prove to be materially inaccurate.

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## **PRESENTATION OF FINANCIAL STATEMENTS**

Figures and percentages are rounded to one or two decimal places, where appropriate. Any discrepancies in the tables included in this offering circular between the amounts listed and the totals are due to rounding.

### **RWLV**

RWLV’s audited financial statements included elsewhere in this offering circular were prepared in accordance with generally accepted accounting principles in the United States (“U.S. GAAP”).

### **The Genting Group**

The audited consolidated financial statements for Genting Berhad (together with its consolidated entities, the “Genting Group”) included elsewhere in this offering circular were prepared in accordance with Financial Reporting Standards (“FRS”) and the Malaysian Accounting Standards Board (“MASB”) Approved Accounting Standards in Malaysia for Entities Other Than Private Entities for the financial years ended December 31, 2016 and 2017, Malaysian Financial Reporting Standards (“MFRS”) and International Financial Reporting Standards (“IFRS”) for the financial year ended December 31, 2018, and the provisions of the Malaysian Companies Act 2016 or the Malaysian Companies Act 1965, where applicable.

FRS differs in certain material respects from IFRS. For a description of significant accounting differences between FRS and IFRS that are relevant to the financial statements included in this offering circular, see “Summary of Certain Significant Differences Between FRS and IFRS.”

### **GOHL**

GOHL’s audited consolidated financial statements included elsewhere in this offering circular were prepared in accordance with the MFRS, IFRS and the provisions of the Isle of Man Companies Acts, 1931 to 2004.

### **Comparability of Financial Information**

On November 19, 2011, the MASB issued a new MASB approved accounting framework, the MFRS. This IFRS-compliant framework applies to all entities other than private entities with the exception of entities that are within the scope of MFRS 141 “Agriculture” and IC Interpretation 15 “Agreements for Construction of Real Estates,” including its parent, significant investor and venturer (herein called “Transitioning Entities”).

On September 8, 2015, MASB announced that in light of the International Accounting Standards Board’s deferral of IFRS 15 “Revenue from Contracts on Customers,” the effective date for the Transitioning Entities to apply the MFRS framework would also be deferred to January 1, 2018.

Genting Berhad falls within the scope definition of Transitioning Entities and accordingly, adopted the MFRS Framework from the financial year beginning on January 1, 2018 with a date of transition on January 1, 2017. The consolidated financial statements of the Genting Group for the financial year

ended December 31, 2018 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards.”

As a result of the transition to MFRS, the audited consolidated financial statements for the years ended December 31, 2016 and 2017 of the Genting Group included elsewhere in this offering circular are not comparable with the audited consolidated financial statements for the year ended December 31, 2018 included elsewhere in this offering circular. Specifically, the consolidated income statements data and the consolidated statements of financial position data for the years ended December 31, 2016 and 2017 are not comparable with consolidated income statements data and the consolidated statements of financial position data, respectively, for the year ended December 31, 2018. The Adjusted EBITDA of the Genting Group for the years ended December 31, 2016 and 2017 are also not comparable with the Adjusted EBITDA of the Genting Group for the year ended December 31, 2018.

In addition, during the year ended December 31, 2018, the Genting Group and GOHL adopted certain new accounting standards under the MFRS framework. The audited consolidated financial statements of the Genting Group and GOHL for the years ended December 31, 2016 and 2017 included elsewhere in this offering circular have not been restated to reflect the impact of the new accounting standards. As a result, the consolidated income statements data and the consolidated statements of financial position data for the years ended December 31, 2016 and 2017 for each of the Genting Group and GOHL are not comparable with consolidated income statements data and the consolidated statements of financial position data, respectively, for the year ended December 31, 2018. Each of the Genting Group’s and GOHL’s Adjusted EBITDA for the years ended December 31, 2016 and 2017 are also not comparable with their respective Adjusted EBITDA for the year ended December 31, 2018.

Furthermore, during the financial year ended December 31, 2017, the Genting Group changed its accounting policies on oil palm bearer plants and exploration costs. However, the Genting Group’s financial data for the year ended December 31, 2016 prepared in accordance with FRS in Malaysia included elsewhere in this offering circular have not been restated to reflect the change in accounting policy for oil palm bearer plants and the change in accounting policy for exploration costs adopted in 2017. Accordingly, the Genting Group’s consolidated income statements data and Adjusted EBITDA for the year ended December 31, 2016 and the consolidated statements of financial position data as of December 31, 2016 are not comparable with the consolidated income statement and Adjusted EBITDA for the years ended December 31, 2017 and 2018 and the consolidated statement of financial position data as of December 31, 2017 and 2018, respectively. Please refer to additional information included in this offering circular under the heading “Selected Historical Financial and Operating Data—The Genting Group.”

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#### **NON-GAAP FINANCIAL MEASURES**

In this offering circular, there are references to “Adjusted EBITDA” as it relates to the Genting Group and GOHL. Adjusted EBITDA is defined as earnings before depreciation, amortization, interest income, finance cost, share of results in joint ventures, share of results in associates, taxation and also excludes the effects of non-recurring items from the operating segments, such as net fair value gain or loss on financial assets, gain or loss on disposal of financial assets, gain or loss on derecognition/dilution of shareholding in associates, project costs written off, reversal of previously recognized impairment losses, impairment losses, pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses. Adjusted EBITDA is a supplemental measure of financial performance and liquidity that is not required by, or presented in accordance with, FRS, MFRS or IFRS. Further, Adjusted EBITDA is not a measure of financial performance or liquidity under U.S. GAAP, FRS, MFRS or IFRS and should not be considered as an alternative to

profit or any other performance measures derived in accordance with U.S. GAAP, FRS, MFRS or IFRS.

We, Genting Berhad and GOHL believe that the Adjusted EBITDA of the Genting Group and GOHL serves as a useful indicator of the operating performance of the Genting Group and GOHL, as applicable, and that Adjusted EBITDA is a measure commonly used by analysts, investors and peers in the industries in which those entities operate. Accordingly, this information is disclosed to permit a more complete analysis of operating performance of the Genting Group and of GOHL. Adjusted EBITDA, as calculated, may not be comparable to similarly titled measures reported by other companies. For a reconciliation of Adjusted EBITDA to profit for each of the Genting Group and GOHL, see “Selected Historical Financial and Operating Data—The Genting Group” and “Selected Historical Financial and Operating Data—GOHL.”

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## CURRENCY

In this offering circular, references to “Ringgit Malaysia,” “MYR,” “RM” and “sen” are to the currency of Malaysia, references to “Singapore dollars” and “S\$” are to the currency of Singapore and references to “U.S. dollars,” “\$,” “US\$,” “USD” and “cents” are to the currency of the United States.

Unless otherwise indicated, dollar amounts in this offering circular are presented in U.S. dollars. Solely for the convenience of the reader, this offering circular contains translations of certain Ringgit Malaysia and Singapore dollar amounts into U.S. dollars and vice versa at the exchange rate of RM4.1385 to US\$1.00, which was the middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018, and at the exchange rate of S\$1.3648 to US\$1.00, which was the published rate of exchange of the Singapore dollar against the U.S. dollar as published by the Monetary Authority of Singapore, the Central Bank of Singapore, as at noon on December 31, 2018. No representation is made that the Ringgit Malaysia, Singapore dollar or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollars, Singapore dollars or Ringgit Malaysia, as the case may be, at any particular rate or at all. See “Exchange Rates” for further information regarding the rate of exchange between U.S. dollars and Ringgit Malaysia and U.S. dollars and Singapore dollars.

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## CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This offering circular includes forward-looking statements regarding, among other things, our plans, strategies and prospects, both business and financial. These statements are based on the beliefs and assumptions of our management. Although we believe that our plans, intentions and expectations reflected in or suggested by these forward-looking statements are reasonable, we cannot assure you that we will achieve or realize these plans, intentions or expectations. Forward-looking statements are inherently subject to risks, uncertainties and assumptions. Generally, statements that are not historical facts, including statements concerning our possible or assumed future actions, business strategies, events or results of operations, are forward-looking statements. These statements may be preceded by, followed by (or include) the words “believes,” “expects,” “anticipates,” “intends,” “plans,” “estimates” or similar expressions. Factors that could cause actual results to differ materially from those forward-looking statements included in this offering circular include, among others:

- the risks inherent in the development, design and construction of the Project, including our ability to complete the Project on time, within budget, within the specifications described herein, or at all;
- failure to satisfy the substantial conditions to our receipt of funds from the financing for the Project;

- failure to secure additional financing for the Project if and when required;
- the actual development costs of the Project being higher than expected;
- our responsibility for construction costs not included in or exceeding those in our guaranteed maximum price construction contract;
- the credit worthiness of our contractors and subcontractors, and their ability to satisfy their obligations under their contractual obligations, including our guaranteed maximum price construction contract with W.A. Richardson;
- the ability of our general contractor to cover cost overruns for which it is responsible;
- the enforceability of certain provisions in our guaranteed maximum price construction contract with our general contractor and the related subcontracts;
- our ability to enter into definitive agreements with the third parties with which we have letters of intent;
- our lack of operating history;
- our dependence on one property for all of our cash flow;
- the competitive environment in which we operate, including among various subsidiaries of the Genting Group;
- our ability to attract patrons for our gaming, hotel, retail and entertainment services;
- global economic conditions and consumer spending habits and preferences;
- tourism trends and impact on levels of travel, leisure and consumer spending;
- failure of the renovation and expansion of the Las Vegas Convention Center to proceed as planned;
- our dependence on affiliates of Genting Berhad for support services and use of licensed intellectual property;
- the Genting Group's involvement with other projects;
- differing interests among Genting Berhad's major shareholders and our notes holders;
- our ability to recruit, train and retain an adequate number of qualified and suitable managers and employees and the possible loss of our managers or employees;
- our inability to collect receivables from gaming patrons to whom we extend credit and the possibility of fraud and/or cheating by our customers or employees;
- damage or service interruptions to technology services or electrical power;
- cybersecurity risk including misappropriation of customer information or other breaches of information security;
- legal proceedings related to the construction or design of the Project and day-to-day business once the Project commences operations and any adverse judgments or settlements resulting from any such legal proceedings;
- environmental hazards or adverse consequences from environmental, health or safety regulations related to the construction and operation of the Resort (as defined herein);
- our ability to protect our brand and intellectual property rights;
- our current and future insurance coverage levels;



- the variability in the actual win rates of our gaming patrons from the theoretical win rates anticipated;
- any violations by us of anti-money laundering laws or the FCPA (as defined herein);
- compliance with changing laws and regulations;
- changes in federal or state tax laws and the administration of such laws;
- failure to satisfy the conditions necessary for the final award or grant of the relevant licenses, registrations and/or findings of suitability from the Nevada Gaming Commission, the Nevada Gaming Control Board and the Clark County Liquor and Gaming Licensing Board (collectively, the “Nevada Gaming Authorities”) and failure to take the steps necessary to maintain any such license, registration and/or finding of suitability after it is awarded or granted;
- our ability to comply with covenants in the indenture governing the notes and the credit agreement governing our Senior Secured Credit Facilities;
- risks related to the Keepwell Deed and the Funding Agreements, none of which constitute guarantees of the payment obligations under the notes or the guarantees; and
- the other factors set forth under “Risk Factors.”

These factors should not be construed as exhaustive and should be read in conjunction with the other cautionary statements included elsewhere in this offering circular, including those under the heading “Risk Factors.” These risks and uncertainties, as well as other risks and uncertainties of which we are not aware or which we currently do not believe to be material, may cause our actual future results to be materially different than those expressed in our forward-looking statements. We caution you not to place undue reliance on these forward-looking statements. All forward-looking statements attributable to us or persons acting on our behalf are expressly qualified in their entirety by the foregoing cautionary statements. Forward-looking statements speak only as of the date of this offering circular. We do not intend, and undertake no obligation to, make any revisions to these forward-looking statements to reflect events or circumstances after the date of this offering circular, except as required by law, including the securities laws of the United States, the applicable rules and regulations of the Securities and Exchange Commission (the “SEC”) and the applicable rules and regulations of SGX-ST.

## OFFERING CIRCULAR SUMMARY

*This summary highlights certain information appearing elsewhere in this offering circular. This summary is not complete and does not contain all of the information that you should consider before investing in the notes. You should carefully read the entire offering circular, including the financial statements and related notes and the section entitled “Risk Factors.” Unless the context requires otherwise, in this offering circular, (i) the terms “RWLV,” “we,” “us,” “our,” “our company” and “our business” refer to Resorts World Las Vegas LLC and its subsidiaries (including RWLV Capital and the guarantors of the notes), (ii) the term “Issuers” refers to RWLV and RWLV Capital, exclusive of their respective subsidiaries, (iii) the terms “Resort” and “Project” refer to the resort and related gaming and entertainment facilities being developed by RWLV in Clark County, Nevada, (iv) the term “RWLV Capital” refers to RWLV Capital Inc., a co-issuer of the notes, (v) the term “RWLV Holdings” refers to RWLV Holdings, LLC, the sole member of RWLV and a wholly owned subsidiary of Genting Assets, (vi) the term “Genting Assets” refers to Genting Assets, Inc., the sole member of RWLV Holdings and an indirect wholly owned subsidiary of Genting Berhad, (vii) the term “Genting Berhad” refers to Genting Berhad, a company incorporated in Malaysia, (viii) the term “GOHL” refers to Genting Overseas Holdings Limited, a company incorporated in the Isle of Man, and a wholly owned subsidiary of Genting Berhad, and (ix) the terms “Genting Group” and the “Group” refer to Genting Berhad and its consolidated entities.*

### Overview

RWLV is an indirect wholly owned subsidiary of Genting Berhad, an investment holding and management company focused predominantly on the global gaming and hospitality industry. The Genting Group has a track record of over 50 years in sourcing, developing and operating casinos and integrated resorts in various parts of the world under the Resorts World and Genting brands, including some of the highest-grossing and most efficient operations in the gaming industry. To date, the Genting Group has completed approximately \$14 billion worth of developments worldwide, including two integrated resort properties that represent over \$4 billion worth of developments: Resorts World Genting in Malaysia and Resorts World Sentosa in Singapore. These resorts represent two of the largest and most profitable integrated resorts in the world, with each attracting over 20 million visitors in 2018.

RWLV is now constructing, and will own and operate, the Resorts World Las Vegas casino and integrated resort (the “Resort”), which is expected to commence operations by the end of 2020. With over seven million square feet, the Resort will be the first integrated resort to open on the Las Vegas Strip in the last 10 years. The Resort is expected to offer approximately 3,400 hotel rooms and suites and include a multitude of gaming, convention, retail, food, beverage and entertainment amenities. We expect the property will be a unique new offering in the luxury resort market in Las Vegas, positioned to appeal to a wide array of domestic and international business and leisure guests. The Resort will be located on approximately 87 acres on the northern end of the Las Vegas Strip in Clark County, Nevada, across from the Las Vegas Convention Center expansion. The Resort is estimated to cost approximately \$4.3 billion to design, develop, construct, equip, finance and open, including a total contingency amount of \$200.0 million to cover unexpected costs.

When completed, we currently expect the Resort to feature unique and attractive modern amenities including:

- an approximately 100,000 square foot high-energy gaming floor, featuring approximately 1,750 slot machines, and approximately 170 table games, including high limit table games, Asian-themed baccarat and gaming salons, as well as a sports book area;
- a 57-story East Tower consisting of approximately 1,650 luxury suites and convention hotel tower rooms, which may be branded and managed by one of the internationally renowned hotel groups with which we have entered into non-binding letters of intent (the “Flag Hotels”);

- a 57-story West Tower consisting of approximately 1,750 luxury suites and branded hotel tower rooms, which will be managed by the Genting Group and/or one or more Flag Hotels;
- over 320,000 square feet of restaurant and entertainment space, including over 25 food and beverage outlets;
- over 210,000 square feet of spa, health club and resort pools;
- over 75,000 square feet of state-of-the-art day club and night club space under the Zouk brand, a club whose Singapore location was named the top club in Asia and third best club in the world on the 2018 Top 100 Clubs list published by DJ Mag;
- over 300,000 square feet of meeting and conference space; and
- approximately 7,100 parking spaces.

Genting Berhad, as the parent company of RWLV, and its wholly owned subsidiary, GOHL, are providing significant credit and financial support for the Project, which is further described in this offering circular. See “Risk Factors—Risks Relating to Construction of the Project—Budget constraints could force us to alter the design of the Project, which could adversely affect our future results of operations” and “Description of Disbursement Agreement—Termination and Amendments to Disbursement Agreement.”

#### **Genting Berhad and the Genting Group**

The Genting Group was founded by the late Tan Sri (Dr.) Lim Goh Tong more than 50 years ago when it was organized to develop an integrated hospitality/casino complex in Genting Highlands, Malaysia. The parent company was first listed as Genting Highlands Hotel Berhad upon conversion to a public company in 1970 and assumed its present name of Genting Berhad in 1978. Today, the Genting Group is a globally recognized leader in gaming, leisure and hospitality, with a proven track record as a leading developer, owner and operator of integrated gaming resorts, with premier facilities in Asia, the United Kingdom, Bahamas and the United States.

Listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) since 1971, Genting Berhad is one of the largest listed companies in Malaysia based on its market capitalization of RM23.4 billion (\$5.7 billion) as of December 31, 2018. The Genting Group had revenue of RM20,019.6 million (\$4,837.4 million) and RM20,853.0 million (\$5,038.8 million) for the years ended December 31, 2017 and 2018, respectively. During the same periods, its Adjusted EBITDA was RM7,062.6 million (\$1,706.6 million) and RM8,137.1 million (\$1,966.2 million), respectively. As of December 31, 2018, the Genting Group’s consolidated statement of financial position reflected RM30,987.9 million (\$7,487.7 million) of cash and cash equivalents and RM29,224.5 million (\$7,061.6 million) of borrowings. For a reconciliation of the Genting Group’s Adjusted EBITDA to profit, the most closely comparable FRS metric, see “Selected Historical Financial and Operating Data—The Genting Group.”

The Genting Group’s predominant business is in leisure & hospitality (the “Leisure & Hospitality Division”), which accounted for 83.2% of the Genting Group’s revenues after intersegment eliminations, and 88.0% of Adjusted EBITDA, for the year ended December 31, 2018. The Leisure & Hospitality Division includes the gaming, hotel, entertainment and amusement, tours and travel-related services, development and operation of integrated resorts and other support services and is conducted primarily through its subsidiaries Genting Singapore Limited (“Genting Singapore”) and Genting Malaysia Berhad (“Genting Malaysia”).

Genting Singapore, which, as of December 31, 2018, is 52.7% owned by Genting Berhad through its wholly owned subsidiary, GOHL, operates Resorts World Sentosa, one of only two integrated resorts in Singapore. Resorts World Sentosa, which opened in January 2010 as the first integrated resort in

Singapore, is located on 49 hectares on Singapore's resort island of Sentosa. It is a leading family destination, featuring six uniquely themed hotels with more than 1,500 hotel rooms, a casino, one of the world's largest aquariums, an aquatic park integrated with marine life, Universal Studios Singapore, a destination spa, a wide selection of Meetings, Incentives, Conventions and Events ("MICE") venues and a variety of dining, retail and entertainment options. Genting Singapore has been listed on the Main Board of the SGX-ST since December 2005 and is ranked among Singapore's largest public-listed companies. Genting Singapore had a market capitalization of S\$11.7 billion (\$8.6 billion) as of December 31, 2018.

Genting Malaysia, which is 49.5% owned by Genting Berhad as of December 31, 2018, has been listed on Bursa Securities' Main Market since 1989 and had a market capitalization of RM17.1 billion (\$4.1 billion) as of December 31, 2018. Genting Malaysia owns and operates:

- Resorts World Genting, a premier leisure and entertainment resort in Malaysia, with the only land-based licensed casino in Malaysia. Resorts World Genting has over 10,000 rooms spread across six hotels (including the largest hotel in the world by room count), theme parks, as well as dining and retail outlets and convention facilities;
- Resorts World Casino New York City ("RWNYC") in the United States, a casino with approximately 6,000 video lottery terminals located at the Aqueduct Racetrack in New York. The first phase opened in October 2011 and a \$400.0 million expansion is in process;
- Over 40 casinos in the United Kingdom, including three prestigious brands in London (Crockfords, the Colony Club and The Palm Beach) and Resorts World Birmingham, which opened for business in October 2015;
- Crockfords Cairo in The Nile Ritz Carlton, Genting Malaysia's first venture into the Middle East;
- Resorts World Bimini, a 750-acre beachfront resort in the Bahamas, offering a casino, luxurious accommodations, restaurants and bars and the largest marina in the Bahamas. The 305-room Hilton hotel opened its initial phase in April 2015, while the remaining rooms and other hotel amenities opened in June 2016; and
- Two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi Island.

In addition to the Leisure & Hospitality Division, the Genting Group is involved in the following businesses:

- Plantations (which accounted for 8.5% of the Genting Group's revenues after intersegment eliminations, and 4.9% of Adjusted EBITDA, for the year ended December 31, 2018), which principally comprises cultivation of oil palms and milling of fresh fruit bunches ("FFB") into crude palm oil (the "Plantations Division");
- Power (which accounted for 5.1% of the Genting Group's revenues after intersegment eliminations, and 6.1% of Adjusted EBITDA, for the year ended December 31, 2018), which owns interests in power plants in India, Indonesia and China (the "Power Division");
- Property (which accounted for 1.1% of the Genting Group's revenues after intersegment eliminations, and 0.9% of Adjusted EBITDA, for the year ended December 31, 2018), which includes developing and marketing landed properties in Malaysia (the "Property Division");
- Oil & gas (which accounted for 1.6% of the Genting Group's revenues after intersegment eliminations, and 2.9% of Adjusted EBITDA, for the year ended December 31, 2018), which conducts oil and gas exploration and development and production activities in Indonesia and China (the "Oil & Gas Division"); and

- Investments & other activities (which accounted for 0.5% of the Genting Group's revenues after intersegment eliminations, and (2.8)% of Adjusted EBITDA, for the year ended December 31, 2018), which includes investments in life sciences and the biotech sector.

***Proven track record in developing and operating integrated resorts in highly regulated markets, underpinned by an experienced senior management team***

The Genting Group has a track record of over 50 years relating to sourcing, developing and operating integrated resorts in various parts of the world, including in highly rated and regulated jurisdictions such as Malaysia, Singapore, the United Kingdom and the United States. To date, the Genting Group has completed all projects (other than the Resort, where construction is still ongoing) successfully, without any cancellation or suspension, and has market-leading positions in each market that the Genting Group operates in, due to its commitment to achieving operational efficiencies and property improvements.

This proven track record is driven by the Genting Group's strong and experienced senior management team led by the founder's son, Tan Sri Lim Kok Thay, Genting Berhad's Chairman and Chief Executive, who joined the Genting Group in 1976. Tan Sri Lim and the senior management team collectively have many decades of experience in the leisure, hospitality, and gaming business, having navigated through the 2007-2008 credit crisis and successfully expanded the Genting Group's Leisure & Hospitality Division into several new markets in the last 10 years, most notably the development of the following properties:

- Resorts World Sentosa, Singapore, which opened in 2010, following a construction period of 34 months;
- RWNYS, United States which opened in 2011;
- Resorts World Bimini, Bahamas, which opened in April 2015; and
- Resorts World Birmingham, United Kingdom which opened in October 2015.

Additionally, a comprehensive Nevada casino licensing process has already been undertaken by the Genting Group, certain of its directors and key officers and each of the intermediate holding companies of RWLV, including successful preliminary and renewed preliminary findings of suitability. Specifically, Nevada Gaming Authorities have already issued relevant findings of suitability for certain officers and directors of Genting Berhad and its subsidiaries, including Tan Sri Lim Kok Thay, Tan Kong Han and Chong Kin Leong. Genting Berhad is also approved as a publicly traded corporation by the Nevada Gaming Commission.

In addition to obtaining such Nevada registrations and suitability findings, Genting Berhad, the relevant entities holding or operating gaming businesses, as well as the relevant directors and senior management have been found suitable and licensed under gaming regulations and laws in several other jurisdictions and are subject to relevant obligations thereunder, including by the Singapore Casino Regulatory Authority ("Singapore CRA"), the Gaming Board for the Bahamas and the New York State Gaming Commission (formerly the New York Lottery). For example, Genting Berhad, GOHL and all of its directors and key senior management have periodic and ad hoc reporting obligations to the Singapore CRA. Any non-compliance with reporting obligations, gaming regulations or laws exposes Genting Berhad, the relevant entities holding or operating gaming businesses, as well as the relevant directors and senior management to potential penalties, sanctions and/or a review of findings of suitability or licenses issued.

### ***Premier branding with global clientele database***

The Genting Group has prominent and established integrated resorts under the “Resorts World” and “Genting” name brands with strong brand recognition, particularly in the Asian market. The Genting Rewards loyalty program, which is implemented across all the Genting Group properties as well as those under its affiliate, Genting Hong Kong Limited (“Genting Hong Kong”), has a valuable customer database comprising over 12 million members from around the world. To the extent permitted by the relevant laws, the Genting Group cross-markets its products and services via the Genting Rewards Alliance to implement new business opportunities effectively. The Genting Group believes that the underlying strength of its branding coupled with continued marketing initiatives targeting the Genting Group’s and Genting Hong Kong’s existing clients will help drive traffic to the Genting Group’s new integrated resort developments, including the Resort.

### **Credit and Financial Support from Investment Grade Parent and Investment Grade Affiliate**

In addition to benefitting from the management, development and marketing support provided by the Genting Group, RWLV will also receive significant credit and financial support from Genting Berhad and its wholly owned subsidiary, GOHL, under the Keepwell Deed, the Change Order Funding Agreement, the Debt Service Funding Agreements and the Key Money Funding Agreement summarized below, as well as the other agreements described under “Description of Keepwell Deed and Funding Agreements—Additional Funding Agreements Relating to the Senior Secured Credit Facilities.”

As of the closing of this offering, Genting Berhad and its wholly owned subsidiaries will have invested an aggregate of approximately \$1.75 billion of equity in RWLV, including an aggregate amount of approximately \$516.1 million to be invested in RWLV by Genting Berhad through certain of its subsidiaries pursuant to the Closing Date Equity Contribution.

Upon the closing of this offering, Genting Berhad will enter into the Keepwell Deed with RWLV, the Trustee and the Administrative Agent under RWLV’s new Senior Secured Credit Facilities, as more fully described under “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed.” The key provisions of the Keepwell Deed include, among others, that Genting Berhad will agree to: (1) maintain direct or indirect ownership or control of more than 50% of the equity, ordinary voting power or general partnership interests of RWLV or maintain RWLV as an entity whose financial statements, in accordance with generally accepted accounting principles, are consolidated with those of Genting Berhad; and (2) ensure that RWLV’s Consolidated Net Worth (as defined below under “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed”) as of the last day of each fiscal quarter shall be at least \$300.0 million. The Keepwell Deed does not constitute a guarantee by Genting Berhad of the obligations of the Issuers or the guarantors under the notes or the guarantees. See “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed” and “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

Upon the closing of this offering, GOHL will enter into, among other agreements, the Change Order Funding Agreement, the Debt Service Funding Agreements and the Key Money Funding Agreement. The key terms of the Change Order Funding Agreement include, without limitation, that GOHL will agree to fund, from the closing of this offering until the construction completion date (the “Completion Date”) as determined in accordance with the disbursement agreement among RWLV, the Trustee, KeyBank National Association, as disbursement agent (the “Disbursement Agent”), and the Administrative Agent (such agreement, the “Disbursement Agreement”), an amount equal to the aggregate sum of all Change Order Funding Gaps (as defined below) minus the aggregate sum of all amounts funded pursuant to the Change Order Funding Agreement prior to such time, to the extent

that the funding of such amount is required to cause the Project to satisfy the “in balance” test under the Disbursement Agreement (such amount required to be funded by GOHL, the “Change Order Funding Obligations”). “Change Order Funding Gap” means, with respect to each material change in the plans and specifications or any other material change to the design, floor plan, architecture or quality of the Project from that which is contemplated on the date of the Change Order Funding Agreement, as of the effective date of such material change, an amount equal to the anticipated increase in construction hard costs resulting from such change, to the extent (determined as of the effective date of such change) that the amount of any such increase in construction hard costs will cause the Project to cease to satisfy the “in balance” test under the Disbursement Agreement. GOHL will agree to fund the Change Order Funding Obligations into the Borrower Funds Account at any time prior to the Completion Date, (a) with respect to each Change Order Funding Gap created by such a material change, on or prior to the date of the first borrowing under the Revolving Credit Facility after such material change the proceeds of which will be used to pay Project Costs, in an amount equal to (i) the lesser of (x) 50% of the amount of such Change Order Funding Gap and (y) the amount necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing, there would be at least \$50.0 million of undrawn commitments under the Revolving Credit Facility and (ii) the lesser of (x) 100% of the Change Order Funding Obligations at such time and (y) the amount necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing there would be less than \$50.0 million of undrawn commitments under the Revolving Credit Facility; and (b) if at any time: (i) the Project is not “in balance” under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be “in balance” within 30 days, (ii) the funds in RWLV’s accounts subject to the Disbursement Agreement have been exhausted, (iii) there are less than \$50.0 million in remaining undrawn commitments under the Revolving Credit Facility, (iv) the Change Order Funding Obligations exceed zero and (v) Project Costs are then due and payable, in an amount equal to the lesser of (x) the Project Costs due and payable at such time, (y) the Change Order Funding Obligations at such time and (z) such amount as is necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time.

The key terms of the Debt Service Funding Agreements include, without limitation, that during the period commencing on the closing of this offering and ending on the second anniversary of the opening date of the Resort as determined in accordance with the Disbursement Agreement (the “Opening Date”) (such period, the “Funding Period”), GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee’s administrative fees that become due and payable under the notes and the indenture, and all accrued and unpaid interest and principal and fees that become due and payable under the Senior Secured Credit Facilities, in each case, during the Funding Period. See “Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements.”

The key terms of the Key Money Funding Agreement include, without limitation, that GOHL will agree to fund into the Borrower Funds Account the lesser of (x) the Project Costs then due and payable and (y) up to \$75.0 million of anticipated “key money” to the extent that RWLV and its subsidiaries do not receive, and do not enter into definitive management and/or franchise agreements providing for the payment by the Flag Hotels of, at least \$75.0 million of “key money” on or prior to a date that RWLV reasonably anticipates will occur no later than 225 days after the Opening Date and the funding of such amount is required to cause the Project to be “in balance” under the Disbursement Agreement (such amount required to be funded by GOHL, the “Key Money Funding Obligation”), which amount GOHL will be required to pay from and after the date that is 225 days following the Opening Date (i) in the event that the Completion Date has not occurred, (ii) the Project is not “in balance” under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be “in balance” within 30 days, (iii) the funds in RWLV’s accounts subject to the Disbursement Agreement have been exhausted, (iv) there are less than \$50.0 million in

remaining undrawn commitments under the Revolving Credit Facility, (v) the Key Money Funding Obligations exceed zero and (vi) Project Costs are then due and payable. See “Description of Keepwell Deed and Funding Agreements—The Key Money Funding Agreement.”

Genting Berhad has the highest credit rating by S&P Global Ratings (“S&P”) of any casino gaming or hospitality group globally, with a very strong balance sheet and robust and diversified cash flows. Since 2004, Genting Berhad has maintained an investment grade rating from S&P and Moody’s Investors Service, Inc. (“Moody’s”), and since 2007, from Fitch Ratings, Inc. (“Fitch”). Genting Berhad is currently rated Baa1 by Moody’s, A- by S&P and A- by Fitch, with stable outlook from all three rating agencies.

GOHL holds 52.7% of the equity shares of Genting Singapore, 100% of GOHL Capital Limited and 100% of Genting Property Limited. GOHL has no other operations and has no employees and is managed by Genting Berhad. For the year ended December 31, 2018, GOHL received S\$222.4 million (\$162.9 million) in dividends from Genting Singapore. GOHL is rated A- by Fitch and Baa1 by Moody’s.

Genting Berhad and GOHL are not obligors under the notes, and are not providing guarantees of the obligations of the Issuers or the guarantors under the notes. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

## **Las Vegas Market**

### ***Overview***

According to the American Gaming Association, Las Vegas has the highest casino gaming revenue of any market in the United States. Las Vegas evolved over the last several decades from a pure gaming/casino environment to an entertainment and convention destination with a wide array of amenities, leisure activities and high-end retail outlets. We believe this trend is continuing into 2019 and beyond, as multi-billion dollar non-gaming projects gain momentum and work towards finalizing development plans and completing construction. As the evolution of Las Vegas continues from a gaming market to an entertainment and convention destination, casino operators and Las Vegas developers have shifted their focus to providing customers with non-gaming amenities and facilities.

### ***Visitor Volume and Overall Market Revenue***

The increasing popularity of Las Vegas as a vacation destination has led to an increase in visits from gaming, leisure and business customers. According to the Las Vegas Convention and Visitors Authority (the “LVCVA”), annual visitor volume grew from 35.8 million in 2000 to approximately 42.1 million in 2018. During this same period, aggregate Las Vegas Strip revenues grew from approximately \$10.2 billion to approximately \$18.3 billion, as Las Vegas Strip operators transitioned away from a gaming-centric business model to operations with a greater reliance on room rate, entertainment, food & beverage and retail. We expect that the convention and transient hotel businesses will continue to be the key drivers for the Las Vegas Strip, supported by increased airline seat capacity through the expansion of the McCarran Airport. See “—Las Vegas Continues to Benefit from McCarran International Airport’s Expansion Plans.” Between 2000 and 2018, the Las Vegas Strip non-gaming revenue grew from 54% of total revenue to 66% of total revenue. The opening of the Resort on the Las Vegas Strip will allow the Genting Group to expand on the concept of the integrated resort, combining it with leading technology trends in the hospitality industry.

There are several notable projects under development in Las Vegas that highlight the strong non-gaming momentum. The Las Vegas Convention Center’s \$1.4 billion expansion will expand the



existing 3.2 million square-foot facility by 1.4 million square feet with the addition of exhibit, meeting and pre-function spaces. Phase 1, consisting of the land acquisition and demolition, is complete. Phase 2, which broke ground in January 2018, will result in a 1.4 million square foot expansion, including 600,000 square feet of new exhibit space, with a targeted completion by 2021. Phase 3 includes a complete renovation of the existing 3.2 million square-foot facility, with a targeted completion by 2023. The sequenced plan is intended to assure that at least 1.9 million square feet will be available for trade shows and conventions at all times during the construction project. Additionally, the National Football League's Oakland Raiders are scheduled to move to a new \$1.9 billion stadium in Las Vegas in 2020, and Madison Square Garden has broken ground on a new 18,000-seat music arena at The Venetian.

### ***Las Vegas Continues to Benefit from McCarran International Airport's Expansion Plans***

Visitors to Las Vegas arrive primarily by air, historically representing over 46% of the total visitations, versus other modes of transportation, including automobiles, buses and recreational vehicles. Passenger traffic at McCarran International Airport ("McCarran Airport") increased 2.5% in 2018 to 49.7 million passengers exceeding the previous peak of 48.5 million in 2017.

McCarran Airport's \$2.4 billion Terminal 3, completed in 2012, increased capacity for international routes, resulting in notable growth in the number of visitors from Europe, Canada and Asia over the last three years. Total number of international visitors to Las Vegas arriving via air increased by 0.9% in 2017 to 1.8 million. The introduction of direct flights from Beijing, starting in December 2016, drove a 54.4% increase in Asian direct flight traffic to Las Vegas in 2017.

In October 2018, McCarran Airport saw 4.44 million passengers for the month, an all-time record, breaking the previous record set just three months earlier. In October 2018, Union Gaming Analytics estimated that the airport could support a run-rate of up to 56.0 million annual passengers, which is 6.3 million higher than what was recorded in 2018. This equates to 3.2 million incremental arrivals, of which roughly 80%, or 2.6 million, represents the number of incremental visitors, assuming 20% of arrivals are either connecting in the airport or live in Las Vegas.

### ***Hotel Market Poised for Growth***

Las Vegas has one of the strongest and most resilient hotel markets in the country. Major properties on the Las Vegas Strip opened over the past twenty years include Bellagio, Wynn Las Vegas & Encore Resort, The Venetian and Palazzo, City Center and The Cosmopolitan of Las Vegas. Following the decades-old trend in Las Vegas, these newer, luxury, top tier properties continue to command significantly higher prices. Revenue per available room ("RevPAR"), which we calculate as the product of a hotel's average daily room rate and its occupancy, for luxury properties on the Las Vegas Strip is approximately twice the overall Las Vegas Strip average.

The hotel market is further supported by a favorable supply scenario over the next few years. Las Vegas experienced a two-year boom in citywide room supply after occupancy reached its peak in 2007 at 90.4%. Since then, the level of supply has not increased meaningfully and has remained in a range of 149,000 to 151,000 rooms, reaching 149,158 as of December 2018. In October 2018, Union Gaming Analytics estimated that the overall supply of rooms over the next five years will grow by only 5.3%, which we believe, coupled with historically high growth in visitation to Las Vegas, will result in strong levels of occupancy and notably higher room rates.

### ***Conventions and Trade Shows***

Conventions and trade shows have significantly impacted visitor volume and aggregate Las Vegas Strip revenues over the last two decades. Trade shows in particular require substantial amounts of space for exhibition purposes and participant circulation. Las Vegas offers conventions and trade shows a

unique infrastructure for handling the world's largest gatherings. Las Vegas has the most exhibit space of any city in the nation and the largest base of hotel rooms. Approximately 11.3 million square feet of meeting and exhibition space is available in the Las Vegas area, with one of the largest single-level convention facilities in the United States, the Las Vegas Convention Center, containing approximately 3.2 million square feet of meeting space.

According to the LVCVA, from 2009 to 2018, Las Vegas convention attendance experienced a compound annual growth rate of approximately 4.2%, from 4.5 million to 6.5 million, exceeding the pre-recession peak of 6.3 million attendees in 2006.

We believe the recent increases in visitor volume, gaming and non-gaming revenues, hotel occupancy rates and convention attendance described above represent favorable trends that will benefit the development of the Resort. Additionally, the Resort is located across the street from the expansion site for the Las Vegas Convention Center, the nation's largest convention facility. See “—Our Key Strategies—Capitalize on Proximity to Las Vegas Convention Center and Sands Expo and Convention Center.”

### **Resorts World Las Vegas**

Slated to be the first new integrated resort on the Las Vegas Strip in more than a decade, we expect for the Resort to benefit from the extensive development experience that the Genting Group has achieved while expanding the Group's footprint over the last 50 years. The Resort will offer a wide variety of segmented programming, catering to the average domestic customer base as well as high-end, international clientele. The opening of the Resort on the Las Vegas Strip will allow the Genting Group to expand on the concept of the integrated resort, combining it with leading technology trends in the hospitality industry.

#### ***The Arrival***

Integrated resorts are designed to cater to both non-gaming and gaming guests, offering a wealth of amenities and experiences that can be tailor-made to customer interests. Similar to our sister integrated resort properties located around the world, the Resort will introduce a non-traditional Las Vegas sense of arrival. The Resort will provide nine different entrances for guests, only one of which will require that patrons enter through the casino. The Genting Group's development philosophy for Las Vegas as well as overseas is that the casino is one of several key resort amenities in addition to our hotels, conference center, food and beverage outlets, retail, entertainment venues, and night and day clubs. The Resort will offer a state-of-the-art gaming and casino experience while also catering to a new breed of Las Vegas customers who are looking for an entertainment experience that is not centered on gaming.

#### ***Our Hotel Towers***

The Resort's 57-story East and West hotel towers will contain approximately 3,400 hotel rooms and suites on top of a three-story podium, which will house restaurants, entertainment venues, retail outlets and the casino. Within the property, we expect to introduce four unique, branded hotel experiences, which are segmented to deliver custom experiences depending on the patron's booking preference and invited guest status. Unlike most large Las Vegas properties that have a single hotel brand and customer entrance, we will offer unique and differentiated experiences with separate porte cocheres, dedicated lobbies, dedicated elevators, dedicated rooms and dedicated staff to service each brand. Some resort amenities will be shared among the different customers, such as a pool deck and fitness and spa areas, while others will be more exclusive for specific patrons, including certain restaurants, bars and executive lounge areas.

Within the East Tower, the Resort is expected to house two separate hotel brands: a luxury suite room product and a convention hotel room product. The luxury suites are designed to be between 1,000 square feet and 8,000 square feet with personal concierge service as well as butlers for qualified individuals. These suites will cater to our best gaming and non-gaming patrons with luxury experiences that the Genting Group is known for worldwide. Suite guests will have direct, private access to our spa, retail, restaurants, entertainment and casino venues. The remainder of the East Tower rooms will be positioned to cater to convention guests with access to the Resort's internal meeting rooms and convention space. In addition, the East Tower is closest to Las Vegas Boulevard, which will allow these guests to more easily access off-site conferences and events at the Las Vegas Convention Center across the street, the Wynn Convention Center and the Sands Convention and Expo Center nearby.

The West Tower is also expected to house two separate hotel brands: a luxury suite room product and a resort hotel room product. The West Tower suites are expected to be between 750 square feet and 5,000 square feet, with service levels similar to those in the East Tower luxury suites. The West Tower's resort hotel rooms will be positioned to also target convention guests and frequent independent travelers. The West Tower will have the closest proximity to the Resort's Convention Center and on the southern side of the building will have premium views of the Las Vegas Strip. We expect the East Tower and all or a portion of the West Tower to be branded and managed by one or more of the Flag Hotels, each of which has a large pool of existing loyalty members in its database. However, due to the non-binding nature of the letters of intent we have entered into with the Flag Hotels, we cannot assure you that the Flag Hotels will manage all or any part of either the East Tower or the West Tower, or that we will enter into definitive agreements with any of the Flag Hotels. See "Risk Factors—Risks Relating to Construction of the Project—There is no assurance that our letters of intent with third parties to manage the hotel rooms in one or both of our hotel towers will result in definitive agreements. We intend to finance a portion of the Project construction costs with key money being offered by the Flag Hotels, which may be unavailable if we fail to enter into definitive agreements with such parties."

### *The Casino*

We expect the Resort to have approximately 100,000 square feet of gaming space primarily located in the center of the first level of the low-rise building. The high-energy casino is designed with well-defined pathways, providing our patrons with easy access to the casino, but also to the surrounding non-gaming amenities, which we expect will receive significant induced revenue from gaming customers.

The casino areas are expected to contain approximately 170 table games and approximately 1,750 slot machines, a race, sports and sportsbook area, and a poker room. There will be high limit gaming experiences for both domestic and international VIP casino guests. The high limit areas will offer baccarat, blackjack and roulette, high denomination slot machines, as well as private lounges for dining or lounging. In addition, these high limit areas will provide butler service to cater to our best patrons' individual preferences. We intend to leverage Genting Rewards, the Genting Group's customer loyalty program, which currently has over 12 million members, including approximately 1.4 million in North America alone, to drive traffic to the Resort.

### *Convention and Meeting Space*

The Convention Center at the Resort has been designed with flexible and versatile public spaces, unencumbered high ceilings and state-of-the-art technology. The MICE space is expected to contain approximately 300,000 square feet of convention and meeting space, including approximately 50,000 square feet of pre-function space. There will be two primary ballrooms: the Grand Ballroom will be a large clear span ballroom of approximately 100,000 square feet and the smaller ballroom will be approximately 35,000 square feet. Each ballroom will be divisible into smaller spaces. Additionally, there will be dedicated meeting breakout spaces, allowing for numerous, simultaneous meetings. The Convention Center space will be equipped with a business center and various kitchens to provide full service catering.

### ***Numerous Restaurants, Lounges and Bars***

We expect the Resort to offer over 25 food and beverage outlets. This wealth of food and beverage will allow for prompt service for both in-house and local guests. We will leverage our experience developing and operating numerous food and beverage outlets in our sister properties with unique, first-to-market concepts imported from leading markets around the world. Historically, the Genting Group has often partnered with celebrity and/or Michelin star chefs to enhance guest experiences. RWLV will own and operate many of the venues, but intends for various third parties to lease space and augment company-owned venues.

### ***Iconic Zouk Nightclub and Dayclub***

We plan to host the Zouk nightclub in a unique architectural feature on the property—The Crystal Ball—which we believe will be one of Las Vegas’ iconic and premier attractions. The Zouk Crystal Ball will be located on the southeastern most corner of our property, on Las Vegas Boulevard. The 100-foot high, clear spherical dome will be the main entrance to our Resort from the Wynn Resorts pedestrian bridge and Las Vegas Boulevard pedestrian traffic and will feature a 50-foot high reflective LED globe as the entry feature on the ground floor. On the upper floors, there will be the multi-purpose Zouk nightclub area, which is expected to include movable LED screens to modulate the day and nighttime experiences. There will be separate and distinctive venues for day and night club-goers, with VIP rooms in each club. We intend for this nightclub space to be unlike any other in the world.

The Zouk brand, owned by Genting Hong Kong, was established in Southeast Asia over 20 years ago and has successfully launched in Singapore, Malaysia and our affiliates’ cruise lines, through Resorts World at Sea. In 2018, Zouk’s Singapore location was rated the top club in Asia and third best club in the world, according to the Top 100 Clubs list published by DJ Mag. Zouk is expected to directly manage the nightclub space.

### ***Pool Deck, Spa and Fitness Complex***

The Resort is expected to feature the largest pool deck in Las Vegas, offering hotel and paying patrons up to four unique pool experiences: a main pool with access to a poolside grill, a family style pool, a cabana experience with a plunge pool and a VIP secluded private cabana and infinity pool overlooking the Las Vegas Strip. The Resort will also include an approximately 42,000 square-foot world-class spa, salon and fitness complex which will offer high-end spa treatments, fitness equipment and branded skin products.

### ***Parking***

The Resort is expected to have two parking structures with approximately 7,100 parking spaces and convenient valet services. The garage is expected to provide safe and easy access to the property and parking for our employees. It will also feature a dedicated entry off Sammy Davis Jr. Drive, a convenient entry point for local customers.

## **Our Key Strengths**

### ***Strong Sponsorship with Significant Equity Investment and Credit Support***

As of the closing of this offering, Genting Berhad and its wholly owned subsidiaries will have invested an aggregate of approximately \$1.75 billion of equity in RWLV, including an aggregate amount of approximately \$516.1 million to be invested in RWLV by Genting Berhad through certain of its subsidiaries pursuant to the Closing Date Equity Contribution.

Additionally, Genting Berhad and GOHL are providing significant credit and financial support for the Project in the forms of the Keepwell Deed, the Change Order Funding Agreement, the Debt

Service Funding Agreements, the Key Money Funding Agreement and the other agreements described under “Description of Keepwell Deed and Funding Agreements—Additional Funding Agreements Relating to the Senior Secured Credit Facilities,” evidencing their strong commitment to the success of the Project. In addition to these investments, the Resort will benefit from the Genting Group’s significant experience and long track record of developing and operating successful and highly profitable integrated resorts around the world.

***Located on Prime Real Estate on the Las Vegas Strip***

The Resort is situated on approximately 87 acres on the north end of the Las Vegas Strip, at the northwestern corner of Las Vegas Boulevard South and Resorts World Drive. With 1,523 feet of Strip frontage and direct pedestrian access from the Las Vegas Strip, the Resort is being built on one of the largest undeveloped parcels left on this famed entertainment avenue. Existing properties and attractions in close proximity to our site include: (a) the 3.2 million square-foot Las Vegas Convention Center, which is expected to be the largest single-level convention center in the world upon completion of its pending expansion; (b) Wynn Las Vegas & Encore Resort, currently the highest-grossing casino complex in the Las Vegas market; (c) the Sands Expo and Convention Center, part of The Venetian / Palazzo Las Vegas resort complex; (d) the 2 million square-foot, 250-store Fashion Show Mall, which attracts over 10 million visitors annually; and (e) the new JW Marriott-managed The Drew Las Vegas resort and casino, which is currently under construction.

***Genting and Resorts World are Globally Recognized Brands***

Genting has become a well-known brand over the past 50 years, not only in Asia, but also in global feeder markets to Las Vegas. In the last two decades, the Genting Group has pursued an aggressive international growth strategy, which has increased awareness of the Genting Group brand names. In 2006, the Genting Group successfully acquired Stanley Leisure plc in the United Kingdom and was also granted one of the two integrated resort licenses in Singapore; Resorts World Sentosa opened in 2010 and is one of the highest-grossing casino resorts in the world. In 2011, the Genting Group opened its first wholly owned North American property, RWNYC, a casino which contains approximately 6,000 video lottery terminals and is one of the highest producing slot floors in the world. The Resort, which will be the Genting Group’s flagship property in the United States, represents the next major growth initiative and an important geographic diversification for the Genting Group.

***Genting Group’s Proven Success in Delivering a Premium Experience***

The Genting Group is known globally for its premium products, developing and providing unique guest experiences with a high level of unobtrusive and private service. Unique experiences extend to dining, where the Genting Group has often partnered with celebrity and/or Michelin star chefs, as well as shopping, with premium outlet malls. VIP patrons will have access to a fleet of private jets and will be entitled to receive private butler services, premier seating at all food and beverage outlets, and exclusive access to entertainment venues within our facilities. To address our VIP patrons’ transportation needs, RWLV also intends to provide on-call 24-hour limo service.

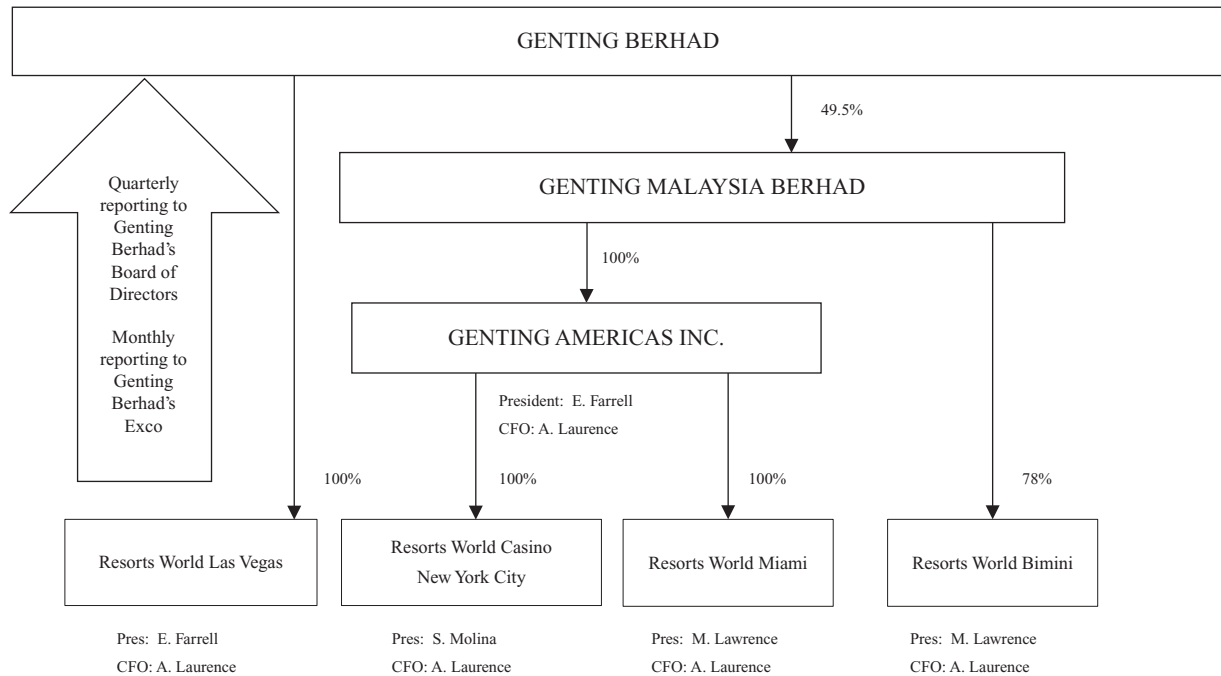
***Our Project is a Later-Stage Development with Reduced Construction Risk***

The Resort is currently fully mobilized and under construction, which mitigates several elements of project risk, such as construction delay, real estate and financing risk. The most complicated elements, such as the foundation and platform, have already been constructed. As of March 1, 2019, concrete work is complete up to level 46 of the West Tower and up to level 43 of the East Tower. Additionally, as of March 1, 2019, 80% of the podium steelwork has been completed. More than 1,570 construction workers were on site as of March 1, 2019 and that number is expected to increase through project completion.

Execution risk is further mitigated through a \$2.8 billion guaranteed maximum price construction contract with W.A. Richardson, a construction firm in Las Vegas with significant experience in integrated resort development. As of February 28, 2019, over \$900.0 million of contracts, or 36% of the total contract value within the guaranteed maximum price, was already subcontracted. In addition, a third-party construction consultant, CBRE Group, Inc. (“CBRE”), has been retained on behalf of the noteholders and the lenders to oversee both the draws on the construction loan and adherence to the construction timeline and approve all disbursements from the Notes Proceeds Account and Loan Proceeds Account. See “—Design, Development and Construction—Construction Consultant.” We are currently targeting the opening of the Resort by the end of 2020.

***Managerial Support and Oversight by Genting Berhad and its Subsidiaries***

RWLV is currently managed by the senior executive team of Genting Americas Inc. (“Genting Americas”), including a common President and CFO, and is governed by the board of directors of Genting Assets, which currently includes certain members of Genting Berhad’s senior executive team. Genting Berhad has ultimate approval authority over the strategic and spending decisions made in connection with the Project, including scope, overall budget and financing plans. In turn, the RWLV Project Committee awards contracts for the Project within the scope and budget approved by Genting Berhad. The corporate support team of Genting Berhad, including its legal, finance and corporate finance groups, review significant contracts, accounting journal entries and funding requests.



***Proven RWLV Development and Management Team***

We have assembled a strong management team with extensive development and operating experience in the United States and Asia. The management team members possess, on average, 23 years of experience across luxury real estate development, brand marketing and operations at leading gaming companies such as Mirage Resorts, MGM, Las Vegas Sands, Caesars, Wynn Resorts and others across the Genting Group. The RWLV management team is led by Edward Farrell, appointed President of Genting Americas in 2015 and RWLV in 2017. Mr. Farrell has worked in the casino industry for over 30 years. During the course of his career, he has held a variety of leadership

positions, primarily in casino operations and finance, and has worked in the Nevada, Mississippi, Connecticut and New York casino markets. He has participated in the opening of several casino properties including the Mirage in Las Vegas, Nevada, the Grand Casino in Gulfport, Mississippi, the Treasure Bay Casino in Biloxi, Mississippi, and RWNYC in New York, New York. Prior to joining Resorts World, he was Senior Vice President of Finance for Foxwoods and MGM at Foxwoods in southern Connecticut. He also worked for Jack Binion's Horseshoe Casino in Tunica, Mississippi. After the acquisition of Horseshoe by Harrah's, he held the role of Regional VP of Finance for the Mid-South Region of Harrah's Entertainment, where he had financial responsibility for three casinos. Along with his financial experience, he has held casino operational roles with Treasure Bay, Horseshoe and Harrah's, during which time he managed the Table Games, Slots and Customer Development departments as well as various non-gaming departments.

The RWLV team is also complemented by Aviv Laurence, who was appointed Chief Financial Officer of both Genting Americas and RWLV in 2017. Mr. Laurence is responsible for leading the financing efforts and overseeing the Finance and Accounting Department for the North American operations of the Genting Group. He has over 28 years of investment banking, finance and accounting experience. He joined Genting Americas in 2015 as Senior Vice President of Corporate Finance. Prior to joining Genting Americas, Mr. Laurence spent over 16 years as an investment banker with various Wall Street firms including Salomon Smith Barney, Citigroup, Merrill Lynch, Bank of America Merrill Lynch, Citadel Securities and Wells Fargo Securities. He worked in both the Audit and Tax Departments of Deloitte during his 6 years at the firm. As an investment banker, Mr. Laurence structured and led more than 125 investment banking transactions worth over \$60 billion and completed more than 25 construction-related financings worth over \$10 billion.

Management's unique combination of disciplines and skill sets serve as a strong foundation on which to build a highly profitable, global integrated resort and gaming business. For example, Mr. Farrell was part of the executive management team that opened the highly successful RWNYC property in October 2011. Mr. Farrell was later appointed President of the RWNYC property and oversaw the casino's most significant growth phase from 2013 to 2015, to become one of the highest-grossing slots floors in the world, with gross slot revenue of approximately \$850.0 million in 2018, attracting approximately 10 million visitors annually. RWNYC and Empire City Casino are the only two local casinos licensed to serve the New York City metropolitan area, and each has more than 5,000 positions. Nevertheless, in 2018, RWNYC commanded a significant 59% to 41% market share advantage (based on total net revenue remaining after payout of prizes to players ("Total Net Win")) over Empire City Casino, in part due to the success of Resorts World's Asian gaming strategy, as well as their successful management philosophy.

## **Our Key Strategies**

### ***Overview***

Our experienced management team's strategy is to develop a must-see integrated resort, appealing to the growing number of Las Vegas visitors and conventioners, with a high level of discretionary income and a desire for luxury and aesthetic quality. This strategy extends from the core domestic visitor market to international clientele from the Genting Group's extensive customer database.

### ***Capitalize on Proximity to Las Vegas Convention Center and Sands Expo and Convention Center***

The Resort is located across the street from the expansion site for the Las Vegas Convention Center, the nation's largest convention facility with approximately 3.2 million square feet of total convention space, including more than 2.0 million square feet of exhibition space and 145 meeting rooms. According to the LVCVA, in 2017, Las Vegas hosted over 21,000 conferences, conventions and meetings, including two of the largest Las Vegas trade shows, CES and SEMA, and in 2018,

approximately 6.5 million people attended conferences and conventions in Las Vegas. In June 2017, the LVCVA's board of directors approved a \$1.4 billion expansion and renovation of the Las Vegas Convention Center. The 1.4 million square-foot expansion will include 600,000 square feet of new exhibit space, targeted to open by 2021, and the complete renovation of the existing 3.2 million square-foot facilities, targeted to be completed by 2023. The sequenced plan is intended to ensure that at least 1.9 million square feet of space is available for trade shows and conventions during the construction period to minimize disruption. Once complete, the expansion project is expected to attract more than 600,000 additional convention attendees each year.

In addition to the Las Vegas Convention Center, the Sands Expo and Convention Center is located adjacent to The Venetian and will be within walking distance of the Resort. This convention center contains approximately 1.2 million square feet of meeting and exhibition space. As two of the largest convention facilities in the country are located near the site of the Resort, we expect convention customers to be a major source of room demand during mid-week periods when demand from leisure travelers is typically lower.

***Utilize Genting Rewards' 12 Million Member Global Database to Drive Traffic to the Resort***

Genting Rewards, the Genting Group's customer loyalty program, currently has over 12.0 million members, including approximately 1.4 million in North America alone. Management plans to offer loyalty benefits to existing customer segments, allowing point redemption as well as the ability to obtain tier benefits within the program while customers in such segments are visiting Las Vegas. These individual members are recognized globally for their card status and ability to participate in the aspirational aspects of the program, through both gaming and non-gaming spending via the Genting Rewards Alliance. Current participants in Genting Rewards are: (1) Genting Hong Kong, an affiliate of Genting Berhad, which operates Dream Cruises, Crystal Cruises, Star Cruises and Resorts World Manila; (2) Genting Malaysia, which operates Resorts World Genting, RWNYC, Genting United Kingdom (over 40 properties) and Resorts World Bimini; and (3) Genting Singapore which operates Resorts World Sentosa. We believe the ability to market to existing Genting Rewards members in key feeder markets will enable our Las Vegas casino to open strongly and ramp up more quickly than other start-up operations that do not have an existing database.

We intend to develop unique programming to drive incremental trips for our VIP customers, incentivizing patrons during key holidays, such as New Year's, Chinese New Year, Obon, Golden Week and special events occurring within Las Vegas. The Genting Group has experienced casino marketing personnel located around the world to assist in driving trips to Genting Group properties and keeping them under the Genting umbrella of properties. The Genting Group has also focused on opportunities to grow our rewards program within North America and Latin America through partnerships, sponsorship and promotions of key events within particular cities, creating brand awareness while leveraging the depth of our global experience in operating market-leading integrated resorts.

In addition to our existing customer database, we intend to grow our customer base through targeted customer acquisition efforts. Our marketing efforts will promote the RWLV brand and highlight our key competitive advantages, including location, service, atmosphere, and the quality of our amenities. The Genting Rewards customer loyalty system and our proprietary tracking software will enable us to segment our customer base, as well as efficiently target our promotional efforts and personalize relationships with our customers. We believe this combination of targeted marketing, customer recognition and exemplary service will enable us to increase customer loyalty and encourage repeat visitation.



### ***Leverage Partnership with Global Hotel Brands***

RWLV is in the process of negotiating agreements with one or more Flag Hotels to manage hotel rooms in both the East Tower and the West Tower. These partnerships will allow us to immediately leverage the Flag Hotels' globally recognized brands, known service excellence, luxury branding expertise, acclaimed management experience, worldwide reservations system and large pool of loyalty members in their customer databases. Management believes access to these customer databases will provide the Resort with a rich source of established gaming and non-gaming clientele. Management also believes the ability to leverage the Flag Hotels' management expertise mitigates the hotel integration and utilization risk that may otherwise exist with new entrants in the competitive Las Vegas market. The Flag Hotels' positions as preeminent meeting and convention hotel operators are expected to result in increased occupancy rates from each of their captive lists of high-end leisure travelers and corporate and incentive meeting planners. Additionally, the Flag Hotels are expected to provide an aggregate of up to \$75.0 million of "key money" to RWLV at opening, providing further validation of the Project and its future success. However, due to the non-binding nature of the letters of intent we have entered into with the Flag Hotels, we cannot assure you that the Flag Hotels will manage all or any part of either the East Tower or the West Tower, or that we will enter into definitive agreements with any of the Flag Hotels. See "Risk Factors—Risks Relating to Construction of the Project—There is no assurance that our letters of intent with third parties to manage the hotel rooms in one or both of our hotel towers will result in definitive agreements. We intend to finance a portion of the Project construction costs with key money being offered by the Flag Hotels, which may be unavailable if we fail to enter into definitive agreements with such parties."

### ***Target Top Las Vegas Feeder Markets with Large Asian Populations***

Management plans to extensively market to Asian populations within North America, specifically on the West Coast, to drive visitation from key feeder markets to Las Vegas. RWLV plans to specifically target Los Angeles, San Francisco and Seattle, which have Asian populations of 11.7%, 34.2% and 14.5%, respectively, according to the United States Census Bureau, as well as Vancouver, British Columbia, with a 45.8% Asian population, according to Statistics Canada. According to the LVCVA, in 2017, these key target cities ranked #1, #2, and #7 domestically, and #2 internationally for incoming air travel to Las Vegas, respectively. In addition, we plan to leverage the Genting Group's current network of Online Travel Agencies in international cities as well as our significant existing customer database in key regional cities that feed into the Las Vegas market, such as New York and Miami.

### ***Introduce Innovative Gaming Experiences***

Subject to obtaining the necessary gaming approvals from the Nevada Gaming Authorities, RWLV intends to introduce various innovations to the Resort that will be new to the Las Vegas market. Specifically, we intend to develop mobile applications, exciting side bets, as well as Free Style Gaming which allows our patrons to participate in live gaming from a tablet or mobile device within our geo-fence. Types of games offered through Free Style Gaming include roulette, baccarat, and sicbo. Similar innovations are already in operation at our sister properties in Asia as well as on our affiliates' cruise lines, through Resorts World at Sea. In addition, subject to obtaining the necessary approvals from the Nevada Gaming Authorities, we plan to incorporate mobile sports betting into our application, so patrons have a one-touch solution to access our various gaming options.

### **Competition**

The Resort will be located on the northern end of the Las Vegas Strip and is expected to compete with other high-end properties, providing customers with gaming and lodging facilities, food and beverage outlets, meeting and convention space, entertainment and retail stores. Specifically, the Resort

is expected to compete with existing casino/hotels operating on the Las Vegas Strip, including the Bellagio, Wynn Las Vegas & Encore Resort, The Venetian and Palazzo, Aria and Cosmopolitan. In addition, we expect to compete with The Drew Las Vegas, a planned new major casino/hotel project that is expected to open in late 2020 across the street from our site, according to a February 2018 joint press release from the company and Marriott International.

Resorts in Las Vegas also compete with other commercial and Native American casino/hotel facilities in Nevada, California and in other states, casino/hotel facilities in Macau and elsewhere in the world, state lotteries, sports betting, Internet gaming and other forms of gaming. Certain Asian markets, including Macau and Singapore, compete with resorts in Las Vegas for Asian gaming customers, including high-rollers. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas and online, and passage of the Indian Gaming Regulatory Act and Economic Self-Sufficiency Act in 1988 has led to the proliferation of Native American gaming operations throughout the United States. The legalization of full commercial casino gaming in or near metropolitan areas, such as Los Angeles, San Francisco, Dallas and Houston, from which we intend to attract customers, could have a material adverse effect on the business of the Resort. Further proliferation of gaming venues could significantly and adversely affect gaming operations in Las Vegas. See “Risk Factors—General Risks Relating to Our Business—Our casino, hotel, convention and other facilities will face intense competition, which may increase in the future.”

### **Design, Development and Construction**

The Resort is being designed and constructed by a team of well-respected firms with experience in casino and resort development and other large-scale projects. The architect of record for both the interiors and exteriors of the Resort is Steelman Partners LLP, a world-renowned architectural and interior design firm specializing in gaming and hospitality venues. The company’s founder, Paul Steelman, worked for Steve Wynn and Joel Bergman before starting his own practice in 1987. Steelman Partners has designed and constructed the Sands Macao in Macau, the Four Seasons Hotel Macao in Macau, the Galaxy Macau Phase II in Macau, the Grand Ho Tram in Vietnam, Solaire in the Philippines, and the Fox Tower at Foxwoods in North Stonington, Connecticut. Headquartered in Las Vegas, Steelman Partners LLP brings extensive local experience to our development. Steelman Partners LLP is consistently ranked as one of the top 300 largest architectural firms by Architectural Record Magazine and is on the Engineering News-Record’s Top 500 Design Firm list. See “Description of Development and Construction Contracts for the Project—Architect’s Agreement.”

W.A. Richardson Builders LLC, or W.A. Richardson, is the general contractor for the Resort. W.A. Richardson is headquartered in Las Vegas and is owned by Bill Richardson and Yvette Landau. W.A. Richardson has provided preconstruction and construction services for the Project for nearly four years, including completion of the parking structure, site maintenance, and steel demolition. As an executive with the Mandalay Group, Bill Richardson oversaw construction of Mandalay Bay and the Monte Carlo Hotel and Casino, and worked on the redesign and expansion to the Luxor Hotel Casino and Circus Circus Las Vegas. W.A. Richardson also worked more recently on the construction and development of The Cosmopolitan of Las Vegas, and The LINQ and the demolition of The Riviera Hotel and Casino. W.A. Richardson is a certified Minority and Women Owned Business Enterprise.

We have entered into an approximately \$2.8 billion guaranteed maximum price construction contract with W.A. Richardson. The guaranteed maximum price construction contract for the construction hard costs is based on construction drawings that are approximately 67% complete. Separately, GOHL is providing support with respect to funding of certain increases to hard costs relating to certain material changes to the Project pursuant to the Change Order Funding Agreement. The key terms of the Change Order Funding Agreement are described under “Description of Keepwell Deed and Funding Agreements—The Change Order Funding Agreement.” For further information

regarding our agreement with W.A. Richardson, see “Description of Development and Construction Contracts for the Project—Guaranteed Maximum Price Construction Contract.”

The current total budget for the Project is approximately \$4.3 billion, which includes a total contingency amount of \$200.0 million to cover unexpected costs. See “Risk Factors—Risks Relating to Construction of the Project—The development costs of the Project are estimates only, and actual development costs may be higher than expected.”

### **Financing Transactions**

Concurrently with the issuance of the notes, we will consummate the following financing transactions (collectively, together with the Genting Loan Exchange (as defined below), the issuance of the notes offered hereby and the payment of fees and expenses in connection with such financing transactions and issuance, the “Financing Transactions”):

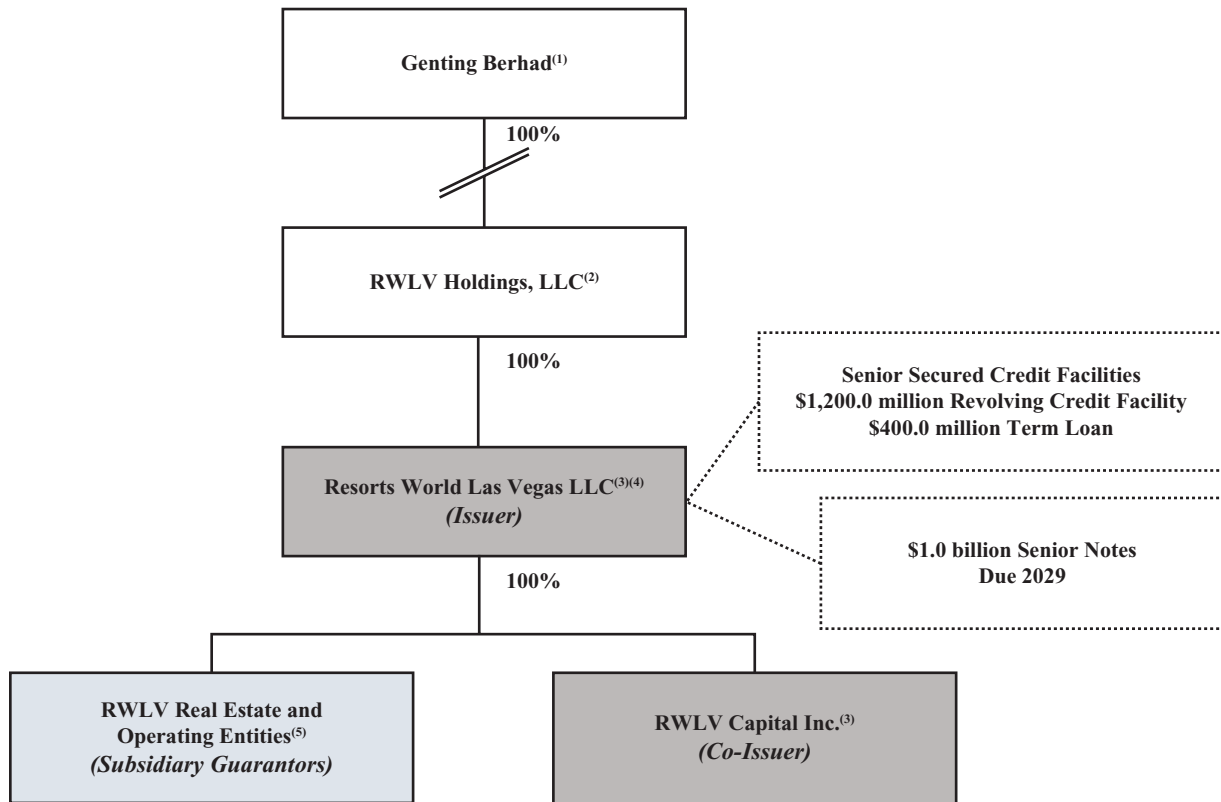
- we will enter into the Senior Secured Credit Facilities, which will consist of a \$400.0 million term loan facility (the “Term Loan Facility”) that will be fully drawn on the closing of this offering, and a \$1,200.0 million revolving credit facility (the “Revolving Credit Facility”). Obligations under the Senior Secured Credit Facilities will be secured by a first priority security interest in substantially all of our and the guarantors’ existing and future assets, other than (i) the Future Land, (ii) the amounts deposited in the Borrower Funds Account, (iii) the net proceeds of this offering deposited in the Notes Proceeds Account, (iv) our rights under the License Agreements, and (v) certain other customary exceptions. See “Description of Senior Secured Credit Facilities”; and
- we will consummate the Closing Date Equity Contribution, pursuant to which Genting Berhad, through certain of its subsidiaries, will make an indirect cash equity contribution to RWLV of approximately \$516.1 million to be deposited in the Borrower Funds Account.

The closing of this offering and the issuance of the notes offered hereby is conditioned on, among other things, the prior or concurrent closing of the Senior Secured Credit Facilities, the borrowing of \$400.0 million under the Term Loan Facility and the consummation of the Closing Date Equity Contribution. See “Description of Senior Secured Credit Facilities” and “Use of Proceeds.”

Prior to this offering, Project Costs have been paid on our behalf by Genting Assets, our indirect parent company and an indirect wholly owned subsidiary of Genting Berhad, with cash contributed to Genting Assets for such purpose by Genting Berhad and certain of its subsidiaries. As of December 31, 2018, an aggregate amount of \$1,053.3 million in Project Costs had been paid on our behalf by Genting Assets, which payments were recorded on our balance sheet as an intercompany liability. In January 2019, this liability was converted by Genting Assets into an indirect limited liability company member interest in us (the “Genting Loan Exchange”). As of the closing of this offering, we expect Genting Assets will have paid approximately \$180.6 million in additional Project Costs on our behalf in exchange for additional indirect limited liability company member interests (including approximately \$1.7 million in additional Project Costs to be paid by Genting Assets on our behalf after the date of this offering circular and prior to the closing of this offering). The indirect equity contributions resulting from the Genting Loan Exchange and the additional Project Costs paid on our behalf during 2019 are herein collectively referred to as the “Prior Equity Contributions.”

## Our Corporate Structure

The following chart summarizes our organizational structure and our principal indebtedness immediately following the Financing Transactions. This chart is for illustrative purposes only and does not represent all legal entities associated with, or obligations of, the Issuers.



- (1) Genting Berhad is the parent company of the Genting Group and the provider of the Keepwell Deed to RWLV. Genting Berhad is also the sole shareholder of GOHL, the provider of the Debt Service Funding Agreements, the Change Order Funding Agreement, the Key Money Funding Agreement and certain funding agreements related to the Senior Secured Credit Facilities, in each case, as more fully described under “Description of Keepwell Deed and Funding Agreements.”
- (2) RWLV Holdings is the sole member of RWLV and an indirect wholly owned subsidiary of Genting Berhad. RWLV Holdings is also the sole member of RWLV IP LLC and RWLV Services LLC. See “Certain Relationships and Related Party Transactions—Related Party Transactions Proposed in Connection with the Project and this Offering—License Agreements” and “—Shared Services Agreement.”
- (3) RWLV and RWLV Capital are the issuers of the notes. Other than as a co-issuer of the notes and a guarantor under the Senior Secured Credit Facilities, RWLV Capital will not have any material operations or assets and will not have any revenues.
- (4) RWLV is the borrower under the Senior Secured Credit Facilities. Obligations under the Senior Secured Credit Facilities will be secured by a first priority security interest in substantially all of our and the guarantors’ existing and future assets, other than (i) the Future Land, (ii) amounts deposited in the Borrower Funds Account, (iii) the net proceeds of this offering deposited in the

Notes Proceeds Account, (iv) our rights under the License Agreements, and (v) certain other customary exceptions.

- (5) Each of RWLV GL LLC (“RWLV Sub”), RWLV West Tower LLC, RWLV East Tower LLC, RWLV CUP LLC and RWLV North Tower LLC will initially guarantee the notes offered hereby on a senior unsecured basis and guarantee the Senior Secured Credit Facilities on a senior secured basis. To the extent such entities are no longer guarantors of the Senior Secured Credit Facilities or certain other indebtedness of RWLV or another guarantor in the future, such entities will be released as guarantors of the notes. We expect RWLV Sub to be the holder of the casino operator license when issued. Each of these subsidiary guarantors will pledge substantially all of their assets and real property to secure the Senior Secured Credit Facilities on a first priority basis; *provided* that (i) the Future Land, (ii) the amounts deposited in the Borrower Funds Account, (iii) the net proceeds of this offering deposited in the Notes Proceeds Account and (iv) our rights under the License Agreements, among other excluded assets, will not be pledged to secure the Senior Secured Credit Facilities. The Credit Agreement will permit RWLV to sell, distribute or otherwise dispose of the Future Land (or the subsidiary holding the Future Land), to contribute the Future Land to an “unrestricted subsidiary” under the Senior Secured Credit Facilities or to cause the subsidiary owner of the Future Land to become an “unrestricted subsidiary” under the Senior Secured Credit Facilities. We intend to designate the subsidiary owner of the Future Land as an “unrestricted subsidiary” upon the closing of the Senior Secured Credit Facilities and, as a result, such subsidiary will not be a guarantor under the Senior Secured Credit Facilities or the notes. The Credit Agreement will also permit RWLV to sell, distribute or otherwise dispose of the North Tower and the central utility plant situated on real property located adjacent to the Resort (the “CUP”) (or the subsidiaries holding the North Tower and the CUP) , to contribute the North Tower and the CUP to “unrestricted subsidiaries” under the Senior Secured Credit Facilities or to cause the subsidiary owners thereof to become “unrestricted subsidiaries” under the Senior Secured Credit Facilities and cease to provide guarantees under the Senior Secured Credit Facilities and the notes, in each case, after the Opening Date. See “Description of Notes—Guarantees.”

#### **Issuers’ Address**

Our principal executive offices are located at 3000 South Las Vegas Boulevard, Las Vegas, Nevada 89109, and our telephone number is 702-802-6460. Additional information can be found on our website at <https://rwlasvegas.com/>. Our website and the information contained on or accessible through that site, are not incorporated into, and are not a part of, this offering circular.

## The Offering

*The following summary contains the principal terms of the notes. This summary does not contain all of the information that may be important to you in making a decision to invest in the notes. Certain of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the entire offering circular, including the financial statements and related notes and the sections entitled “Description of Notes,” “Risk Factors,” “Cautionary Note Regarding Forward-Looking Statements” and “Description of Keepwell Deed and Funding Agreements.”*

Issuer . . . . .	Resorts World Las Vegas LLC, a Delaware limited liability company.
Co-Issuer . . . . .	RWLV Capital Inc., a Delaware corporation and a wholly owned subsidiary of RWLV, formed solely for the purpose of serving as a co-issuer of the notes. Other than as a co-issuer of the notes and a guarantor under the Senior Secured Credit Facilities, RWLV Capital will not have any material operations or assets and will not have any revenues. As a result, prospective purchasers of the notes should not expect RWLV Capital to participate in servicing the principal, interest or other amounts required to be paid on the notes.
Notes Offered . . . . .	\$1.0 billion in aggregate principal amount of 4.625% senior notes due 2029.
Maturity Date . . . . .	The notes will mature on April 16, 2029.
Interest Payment Dates . . . . .	April 16 and October 16 of each year, beginning on October 16, 2019.
Guarantees . . . . .	The notes will be jointly and severally, fully and unconditionally guaranteed on a senior unsecured basis by each of RWLV’s existing subsidiaries (other than RWLV Capital) that is a guarantor under the Senior Secured Credit Facilities, and by certain future subsidiaries of RWLV that guarantee indebtedness under the Senior Secured Credit Facilities or certain other indebtedness of RWLV or a guarantor. See “Description of Notes—Guarantees.”
Keepwell Provider . . . . .	Genting Berhad, a company incorporated in Malaysia. See “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed.”
Funding Agreements Provider . . . . .	Genting Overseas Holdings Limited, a company incorporated in the Isle of Man and a wholly owned subsidiary of Genting Berhad. See “Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements” and “Description of Keepwell Deed and Funding Agreements—The Change Order Funding Agreement.”

Security; Ranking . . . . . The notes and the guarantees will be the Issuers' and the guarantors' senior unsecured obligations and will rank equally in right of payment with all of the Issuers' and the guarantors' respective existing and future senior unsecured obligations, and will be effectively subordinated in right of payment to all of the Issuers' and the guarantors' respective existing and future secured obligations, including obligations under the Senior Secured Credit Facilities, to the extent of the assets securing such obligations; *provided* that prior to the Notes Collateral Release Date, the notes will be secured by a first priority lien on all amounts at any time on deposit in or credited to the Notes Proceeds Account, and will be effectively senior in right of payment to the Issuers' existing and future obligations, including borrowings under the Senior Secured Credit Facilities, to the extent of the amount (if any) then on deposit in or credited to such Notes Proceeds Account. The notes and the guarantees will be senior in right of payment to any of the Issuers' and the guarantors' future subordinated debt, if any, and structurally subordinated to all existing and future indebtedness and other obligations of the Issuers' and the guarantors' respective subsidiaries that do not guarantee the notes.

As of December 31, 2018, after giving effect to the Financing Transactions, we would have had \$400.0 million in aggregate principal amount of secured debt outstanding under the Term Loan Facility and an additional \$1,200.0 million of unused borrowing capacity available under the Revolving Credit Facility. Any additional amounts that we borrow under the Senior Secured Credit Facilities, including under the Revolving Credit Facility, any future incremental term loans and future incremental revolving loans, and any letters of credit issued thereunder, will also be secured and, therefore, effectively senior to the notes to the extent of the assets securing such obligations. As described under "Use of Proceeds," our budget currently contemplates that we will draw approximately \$950.0 million under the Revolving Credit Facility to fund costs related to the Project. The closing of this offering and issuance of the notes offered hereby is conditioned on, among other things, the prior or concurrent closing of the Senior Secured Credit Facilities, the borrowing of \$400.0 million under the Term Loan Facility and the consummation of the Closing Date Equity Contribution. See "Description of Senior Secured Credit Facilities" and "Use of Proceeds."

Keepwell Deed . . . . . In connection with the consummation of this offering, RWLV will enter into a Keepwell Deed with Genting Berhad, the Trustee and the Administrative Agent, pursuant to which Genting Berhad will agree to:

- maintain direct or indirect ownership or control of more than 50% of the equity, ordinary voting power or general partnership interests of RWLV, or maintain RWLV as an entity whose financial statements, in accordance with generally accepted accounting principles, are consolidated with those of Genting Berhad; and
- ensure that RWLV’s Consolidated Net Worth (as defined under “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed”) as of the last day of each fiscal quarter shall be at least \$300.0 million.

The Keepwell Deed will be governed by and construed in accordance with the laws of England and Wales. See “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed” and “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

Notes Debt Service Funding

Agreement . . . . .

In connection with the consummation of this offering, GOHL will enter into a Notes Debt Service Funding Agreement with the Trustee, pursuant to which GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee’s administrative fees that become due and payable under the notes and the indenture during the period commencing on the closing of this offering and ending on the second anniversary of the Opening Date (such period, the “Funding Period”). As the Notes Debt Service Funding Agreement is not a guarantee, GOHL will not be obligated to make any payments on account of any mandatory redemptions, prepayments or repayments due by reason of acceleration of the notes or upon the maturity date of the notes; however, following an acceleration, the originally scheduled payments of interest and certain fees with respect to the notes (assuming such acceleration had not occurred) would continue to be payable by GOHL. The Notes Debt Service Funding Agreement will be governed by and construed in accordance with the laws of the State of New York. See “Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements.”



Change Order Funding Agreement . . . In connection with the consummation of this offering, GOHL will enter into a Change Order Funding Agreement with the Trustee and the Administrative Agent, pursuant to which GOHL will agree to fund, from the closing of this offering until the Completion Date, an amount equal to the aggregate sum of all Change Order Funding Gaps minus the aggregate sum of all amounts funded pursuant to the Change Order Funding Agreement prior to such time, to the extent that the funding of such amount is required to cause the Resort to satisfy the “in balance” test under the Disbursement Agreement. GOHL will agree to fund the Change Order Funding Obligations into the Borrower Funds Account at any time prior to the Completion Date, (a) with respect to each Change Order Funding Gap created by a material change in the plans and specifications or any other material change to the design, floor plan, architecture or quality of the Project from that which is contemplated on the date of the Change Order Funding Agreement, on or prior to the date of the first borrowing under the Revolving Credit Facility after such material change the proceeds of which will be used to pay Project Costs, in an amount equal to (i) the lesser of (x) 50% of the amount of such Change Order Funding Gap and (y) the amount necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing, there would be at least \$50.0 million of undrawn commitments under the Revolving Credit Facility and (ii) the lesser of (x) 100% of the Change Order Funding Obligations at such time and (y) the amount necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing there would be less than \$50.0 million of undrawn commitments under the Revolving Credit Facility; and (b) if at any time (i) the Project is not “in balance” under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be “in balance” within 30 days, (ii) the funds in RWLV’s accounts subject to the Disbursement Agreement have been exhausted, (iii) there are less than \$50.0 million in remaining undrawn commitments under the Revolving Credit Facility, (iv) the Change Order Funding Obligations exceed zero and (v) Project Costs are then due and payable, in an amount equal to the lesser of (x) the Project Costs due and payable at such time, (y) the Change Order Funding Obligations at such time and (z) such amount as is necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time. The Change Order Funding Agreement will be governed by and construed in accordance with the laws of the State of New York. See “Description of Keepwell Deed and Funding Agreements—The Change Order Funding Agreement.”

Key Money Funding Agreement . . . . .	In connection with the consummation of this offering, GOHL will enter into a Key Money Funding Agreement with the Trustee and the Administrative Agent, pursuant to which GOHL will agree to fund the lesser of (x) the Project Costs then due and payable and (y) up to \$75.0 million of “key money” to the extent that RWLV and its subsidiaries do not receive, and do not enter into definitive management and/or franchise agreements providing for the payment by the Flag Hotels of, at least \$75.0 million of “key money” on or prior to the date that RWLV reasonably anticipates will occur no later than 225 days after the Opening Date and the funding of such amount is required to cause the Project to be “in balance” under the Disbursement Agreement, which amount GOHL will be required to pay from and after the date that is 225 days following the Opening Date in the event that (i) the Completion Date has not occurred, (ii) the Project is not “in balance” under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be “in balance” within 30 days, (iii) the funds in RWLV’s accounts subject to the Disbursement Agreement have been exhausted, (iv) there are less than \$50.0 million in remaining undrawn commitments under the Revolving Credit Facility, (v) the Key Money Funding Obligations exceed zero and (vi) Project Costs are then due and payable. The Key Money Funding Agreement will be governed by and construed in accordance with the laws of the State of New York. See “Description of Keepwell Deed and Funding Agreements—The Key Money Funding Agreement.”
Disbursement Agreement . . . . .	In connection with the consummation of this offering, we will enter into the Disbursement Agreement that will establish the conditions to, and sequencing of funding of disbursements from, the Borrower Funds Account, borrowings under the Senior Secured Credit Facilities and the net proceeds from the issuance of the notes. See “Description of Disbursement Agreement.”
Notes Proceeds Account . . . . .	All of the net proceeds from this offering will be deposited into the Notes Proceeds Account and will be used to pay (or, in certain cases, to reimburse expenditures for) our remaining Project Costs and certain fees. See “Description of Disbursement Agreement—Project Accounts—Notes Proceeds Account.”

Loan Proceeds Account . . . . .	All of the borrowings under the Senior Secured Credit Facilities that are intended to be used for the construction of the Resort and certain proceeds of insurance received after the first disbursement from the Notes Proceeds Account will be deposited into the Loan Proceeds Account (as defined herein) and will be used to pay (or, in certain cases, to reimburse expenditures for) our remaining Project Costs and certain fees. See “Description of Disbursement Agreement—Project Accounts—Loan Proceeds Account.”
Borrower Funds Account . . . . .	All of the net proceeds from the Closing Date Equity Contribution, any amounts funded under the Change Order Funding Agreement, any amounts funded under the Key Money Funding Agreement and, subject to certain exceptions, certain insurance proceeds received prior to the first disbursement from the Notes Proceeds Account will be deposited into the Borrower Funds Account (as defined herein) and will be used to pay our remaining Project Costs and certain other costs. See “Description of Disbursement Agreement—Project Accounts—Borrower Funds Account.”
Construction Disbursement Account .	From time to time, in accordance with disbursement requests under the Disbursement Agreement, funds from the Notes Proceeds Account, the Loan Proceeds Account and the Borrower Funds Account will be placed into the Construction Disbursement Account (as defined herein). The funds on deposit in the Construction Disbursement Account will be released to pay (or, in certain cases, to reimburse expenditures for) our remaining Project Costs and certain fees. See “Description of Disbursement Agreement—Project Accounts—Construction Disbursement Account.”
Cash Management Account . . . . .	From time to time, in accordance with disbursement requests under the Disbursement Agreement, funds from the Notes Proceeds Account, the Loan Proceeds Account and the Borrower Funds Account will be placed into the Cash Management Account (as defined herein), so long as the total aggregate amount of funds on deposit in the Cash Management Account at one time does not exceed the Cash Management Allowance (as defined herein). The funds on deposit in the Cash Management Account will be used to pay our remaining Project Costs (including payroll). See “Description of Disbursement Agreement—Project Accounts—Cash Management Account.”

Optional Redemption . . . . .	Prior to January 16, 2029, the Issuers may redeem the notes at our option in whole at any time or in part from time to time, at a redemption price equal to the make-whole price as described under “Description of Notes—Optional Redemption—Make-Whole Redemption,” plus accrued and unpaid interest, if any, to, but not including, the redemption date. On and after January 16, 2029, we may redeem the notes in whole at any time or in part from time to time, at a redemption price equal to 100% of the aggregate principal amount of the notes redeemed plus accrued and unpaid interest, if any, to, but not including, the redemption date, as set forth under “Description of Notes—Optional Redemption—Par Redemption.”
Gaming Redemption . . . . .	The notes will be subject to, at our option, mandatory redemption and/or mandatory disposition in the event the holders thereof fail to comply with any requirements imposed by gaming laws and regulations of gaming authorities in Nevada or other jurisdictions. See “Description of Notes—Optional Redemption—Gaming Redemption.”
Change of Control Offer . . . . .	If we experience a Change of Control Triggering Event (as defined under “Description of Notes—Change of Control Offer”), we must offer to repurchase the notes at a repurchase price equal to 101% of the principal amount of the notes repurchased, plus accrued and unpaid interest, if any, to, but not including, the applicable repurchase date. See “Description of Notes—Change of Control Offer.”
Certain Covenants . . . . .	We will issue the notes under an indenture among the Issuers, the guarantors and the Trustee. The indenture will, among other things, restrict our ability and the ability of our subsidiaries to incur, assume or guarantee certain secured debt, and will restrict our ability and the ability of the guarantors to enter into certain sale and lease-back transactions and consolidate, merge, sell or otherwise dispose of all or substantially all of their assets. For a summary of the terms of those restrictions, see “Description of Notes—Certain Covenants.”
Absence of Established Market for Notes . . . . .	The notes will be new securities for which there is currently no market. Although the initial purchasers have informed us that they intend to make a market in the notes, they are not obligated to do so, and may discontinue market making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the notes will develop or be maintained.

Listing .....	Application has been made for the listing and quotation of the notes on the Official List of the SGX-ST. The notes will trade on the SGX-ST in a minimum board lot size of \$200,000 for so long as they are listed on the SGX-ST and the rules of the SGX-ST so require.
Transfer Restrictions; No Registration Rights .....	We have not registered the offer or sale of the notes under the Securities Act or under any state securities laws. The notes are subject to restrictions on transfer and resale and may only be offered or sold through exemptions from the registration requirements of, or in transactions not subject to, the Securities Act, as permitted under any other applicable securities laws. Therefore, we are only offering these notes to qualified institutional buyers as defined in Rule 144A under the Securities Act and to non-U.S. persons outside the United States under Regulation S of the Securities Act. See “Notice to Investors.” We have no obligation or intention to register the notes for resale under the Securities Act or any state securities laws.
Use of Proceeds .....	We intend to use the net proceeds from this offering, together with the proceeds from the Closing Date Equity Contribution, borrowings under our Senior Secured Credit Facilities and the other sources of funds described under “Use of Proceeds” to fund our remaining Project Costs, pay transaction fees and expenses associated with this offering and the Senior Secured Credit Facilities, and for working capital and other general corporate purposes, as described under the heading “Use of Proceeds.”
Risk Factors .....	You should refer to the section entitled “Risk Factors” beginning on page 29 of this offering circular for a discussion of the factors you should carefully consider before deciding to invest in the notes.
Trustee and Security Trustee .....	Citicorp International Limited.
Paying Agent, Transfer Agent and Registrar .....	Citibank, N.A., London Branch.
Governing Law of the Indenture .....	New York.

## RISK FACTORS

*A purchase of the notes involves significant investment risks. Some of these risks are described below. You should carefully consider these risks, as well as other information contained in this offering circular, before deciding to purchase any of the notes. Any of the following risks could materially and adversely affect our business, financial condition or results of operations. In addition, there may be risks and uncertainties not currently known to us or that we currently regard as immaterial based on the information available to us that later prove to be material. These risks may adversely affect our business, financial condition and results of operations. In any such case, you may lose all or part of your original investment in the notes.*

### **Risks Relating to Construction of the Project**

***There are significant risks associated with major construction projects that may prevent completion of the Project on time and within our estimated budget.***

The budget estimated for the Project is based on construction costs incurred to date, architectural and design documents and schedule estimates that have been prepared with the assistance of our architects and contractor, and is subject to change as the construction progresses and as contract packages are let into the marketplace.

Major construction and development projects of the scope and scale of the Project are subject to significant development and construction risks, including the following:

- changes to, or mistakes in, project plans and specifications, some of which may require the approval of state and local regulatory agencies;
- engineering problems, including defective plans and specifications;
- shortages of, and price increases in, energy, materials and skilled and unskilled labor, and inflation in key supply markets;
- delays in delivery of materials or furniture, fixtures or equipment;
- changes to, or mistakes in budgeting;
- financial health of our contractor and subcontractors;
- changes in laws and regulations, or in the interpretation and enforcement of laws and regulations, applicable to gaming facilities, real estate development or construction projects;
- labor disputes or other work delays or stoppages, including needing to redo work;
- disputes with and defaults by contractors, subcontractors, consultants and suppliers;
- site conditions differing from those anticipated;
- environmental issues, including the discovery of unknown environmental contamination;
- health and safety incidents and site accidents;
- weather interferences or delays;
- fires and other natural or man-made disasters; and
- other unanticipated circumstances or cost increases.

We cannot assure you that we will not experience cost overruns in excess of the budgeted amount. See “—The development costs of the Project are estimates only, and actual development costs may be higher than expected.” In addition, we have yet to receive a number of the remaining zoning approvals, licenses, permits, entitlements and other approvals required to construct and operate the Project. Furthermore, many of our zoning approvals, licenses, permits, entitlements and other approvals,

whether already issued or to be issued, are subject to an appeal period which has not yet run and in which challenges may be asserted. If we do not obtain these permits, zoning approvals, licenses, entitlements or other approvals in a timely manner, on favorable terms and conditions or at all, our ability to complete the Project by our anticipated opening date in the fourth quarter of 2020 or to operate it at all may be materially and adversely affected. The occurrence of any of these development and construction risks could increase the total costs of the Project, delay or prevent its construction or opening or otherwise affect the design and features of the Project, which could materially and adversely affect our results of operations, financial condition and ability to satisfy our obligations under our indebtedness.

***Our ability to access the various financing components for the Project is subject to certain conditions, not all of which may be satisfied.***

Substantially concurrently with the closing of this offering, we expect to receive the Closing Date Equity Contribution in an aggregate amount of approximately \$516.1 million to be deposited in the Borrower Funds Account, and will enter into the Senior Secured Credit Facilities, which will consist of a \$400.0 million Term Loan Facility and a \$1,200.0 million Revolving Credit Facility. We intend to use the net proceeds from this offering, together with proceeds from the Closing Date Equity Contribution, borrowings under our Senior Secured Credit Facilities and the other sources of funds described under “Use of Proceeds,” to fund our remaining Project Costs, pay transaction fees and expenses associated with this offering and the Senior Secured Credit Facilities, and for working capital and other general corporate purposes.

Our ability to use the net proceeds from this offering and the borrowings under our Senior Secured Credit Facilities will be subject to the terms of the Disbursement Agreement. Amounts borrowed under our Senior Secured Credit Facilities that are intended to be used for the construction of the Project are not permitted to be applied under the Disbursement Agreement to costs related to the Project until after all of the proceeds from the notes have been applied to costs related to the Project. Pursuant to the Disbursement Agreement, from and after the first disbursement of funds from the Notes Proceeds Account, our use of the funds in our project accounts for the Project’s construction and other costs will be subject to the satisfaction of certain significant conditions, determinations regarding which will in some cases be subject to the discretion of third parties, such as the independent construction consultant, and may therefore be beyond our control. If the conditions in the Disbursement Agreement are not satisfied, or if the independent construction consultant does not give its approval to disbursements, in each case, in accordance with the terms of the Disbursement Agreement, we may not have access to funds when needed to pay such costs, which could prevent us from completing, or cause significant delays in the completion of, the Project, and materially impair our ability to make payments on the notes. See “Description of Disbursement Agreement.”

In addition, our budget currently contemplates that we will draw approximately \$950.0 million under the Revolving Credit Facility to fund costs related to the Project. However, our ability to borrow amounts under the Revolving Credit Facility will be subject to certain conditions precedent under the credit agreement governing the Senior Secured Credit Facilities (the “Credit Agreement”). See “Description of Senior Secured Credit Facilities.” In addition, our ability to borrow amounts under the Revolving Credit Facility will depend on the credit worthiness of our lenders and their ability to lend funds to us in the amounts and at the times we require. We cannot guarantee that our lenders will be able to extend funds when we need to make drawdowns to pay our construction costs. Any such failure by the lenders under our Revolving Credit Facility could severely impact our ability to complete the Project. Because amounts outstanding under the Senior Secured Credit Facilities are secured by liens, any recovery by the noteholders would be effectively subordinated to amounts owed to the lenders under the Senior Secured Credit Facilities, except to the extent of any amounts that remain on deposit in the Notes Proceeds Account. However, because the Disbursement Agreement will not permit us to

fund costs related to the Project with borrowings under the Revolving Credit Facility until all amounts on deposit in the Notes Proceeds Account have been exhausted, we would not expect there to be any amounts remaining on deposit in the Notes Proceeds Account should any such failure occur. Further, we may not have access to alternative sources of funds necessary to complete the Project on satisfactory terms or at all.

***The development costs of the Project are estimates only, and actual development costs may be higher than expected.***

Our plans and specifications for the Project are not complete and will only be finalized on or after the closing of this offering, at which time they will be subject to approval by government authorities. Our current budget is based on our preliminary plans, which are subject to change. We currently expect the total development cost of the Project, inclusive of financing costs, to be approximately \$4.3 billion, including a total contingency amount of \$200.0 million to cover unexpected costs. While we believe that our overall budget for the development costs for the Project is reasonable, a significant portion of these development costs are only estimates and the actual development costs may be significantly higher than expected. Additionally, any significant delays in construction may increase the overall budget for the Project and, under certain circumstances, we may be responsible for the increased costs. Other unforeseen or unexpected difficulties or delays may also adversely impact the Project's budget.

While our budget includes a total contingency amount of \$200.0 million to cover unexpected costs, including the \$50.0 million contingency under our guaranteed maximum price construction contract, this amount may not be sufficient to cover the full amount of any unexpected costs. Moreover, the Disbursement Agreement will impose significant conditions, which we may not be able to satisfy, on the use of the contingency. Additionally, although we have \$250.0 million of borrowing capacity under the Revolving Credit Facility above the amount required under our budget, such amount may not be enough to fund any cost overruns that exceed the amount of funds available in respect of the contingencies, and the disbursement of such funds will be subject to certain conditions under the Credit Agreement and the Disbursement Agreement. Furthermore, GOHL's obligations under the Change Order Funding Agreement will apply only to certain increases in construction hard costs resulting from material changes in the plans and specifications and other material changes to the design, floor plan, architecture or quality of the Project from that which is contemplated on the date of the Change Order Funding Agreement to the extent resulting in RWLV failing to satisfy the "in balance" test under the Disbursement Agreement, not any soft costs, other cost overruns or other amounts. Additionally, under the Notes Debt Service Funding Agreement, GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee's administrative fees that become due and payable under the notes and the indenture during the Funding Period; however, such agreement is not a guarantee by GOHL for the payment obligation of the Issuers or the guarantors under the notes or the guarantees, and it does not apply to any principal that may become due and payable thereunder during such period. Furthermore, we cannot guarantee that GOHL will have sufficient financial resources to fund its obligations under the Change Order Funding Agreement or the Notes Debt Service Funding Agreement. See "**Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements**—GOHL is a holding company and will depend on payments from Genting Singapore to provide it with funds to make any payments required under the Funding Agreements." If we are unable to fund any cost overruns caused by timing delays with either our existing financial resources, our total contingency amount of \$200.0 million and/or amounts payable by GOHL under the Change Order Funding Agreement, we may be required to seek additional funding, which may not be available on satisfactory terms or at all, and we may be unable to pay our development costs as they are incurred, which would materially impair our ability to complete the Project and to satisfy our obligations under our indebtedness.



***Only a portion of the costs required to complete construction and open the Resort are subject to contractual commitments, and we are responsible for all costs not covered by contractual commitments.***

We have entered into an approximately \$2.8 billion guaranteed maximum price construction contract with W.A. Richardson covering all of the Project's construction hard costs. However, many other important Project Costs, such as costs for furniture, fixtures and equipment, audio visual, testing and inspection and service costs are not covered by the guaranteed maximum price construction contract or any other contractual commitment. Accordingly, we will be responsible for those costs, including any cost overruns incurred as part of completing those elements of the Project.

If we need to raise additional funding to pay for cost overruns, it may not be available on satisfactory terms or at all, and we may choose to reduce the scope of the work and design components to reduce the costs of constructing the Project. Any such reduction in scope may under specified circumstances be subject to obtaining the necessary consent required under the Disbursement Agreement, and could adversely affect the economic prospects of the Project and its value to the detriment of the noteholders. See “—Budget constraints could force us to alter the design of the Project, which could adversely affect our future results of operations.”

Although our budget includes a total contingency amount of \$200.0 million to cover unexpected costs and \$250.0 million of borrowing capacity under our Revolving Credit Facility above the amount required under our budget, as well as the Change Order Funding Agreement to cover, to the extent required for RWLV to satisfy the “in balance” test under the Disbursement Agreement, certain increases in construction hard costs resulting from material changes in the plans and specifications and other material changes to the design, floor plan, architecture or quality of the Project from that which is contemplated on the date of the Change Order Funding Agreement, these resources may not be sufficient to cover the full amount of such overruns. Moreover, the Disbursement Agreement will impose certain significant conditions, which we may not be able to satisfy, on the use of the funds in our project accounts. If we are unable to use any one or more of these resources, or if the amounts available thereunder are not sufficient to cover these cost overruns, we may not have the funds required to pay the excess costs.

In addition, GOHL may not have sufficient resources to fund its obligations under the Change Order Funding Agreement. We cannot assure you that GOHL will perform its obligations under the Change Order Funding Agreement or any other agreements it may enter into in connection with this offering. See “—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—GOHL is a holding company and will depend on payments from Genting Singapore to provide it with funds to make any payments required under the Funding Agreements.” The failure to make any payments required under the Change Order Funding Agreement, in the event such payments are necessary to complete the Project, will likely cause delays in, or prevent us from, completing construction of the Project, which could materially and adversely affect our results of operations, financial condition and ability to satisfy our obligations under our indebtedness.

***The guaranteed maximum price under our guaranteed maximum price construction contract may increase, and we may be responsible for the amount of any increase.***

Although we have a guaranteed maximum price construction contract with W.A. Richardson for a portion of the Project's construction hard costs, the contract provides that the guaranteed maximum price will be appropriately increased, and the deadline for completion of construction will be appropriately adjusted, on account of, among other things:

- changes in the Project information upon which the guaranteed maximum price was established;
- changes in the architect-prepared design documents or deficiencies in the design documents;

- certain concealed or unknown physical conditions of an unusual nature which differ materially from those indicated in the contract documents or ordinarily encountered;
- changes requested or directed by us in the scope of the work to be performed pursuant to the guaranteed maximum price construction contract;
- additional costs due to unanticipated conditions at the Project site;
- abnormal weather conditions (as defined in the guaranteed maximum price construction contract), labor disputes or fire, or other causes beyond W.A. Richardson's or any subcontractor's reasonable control and responsibility (and, in any event, which are not preventable or avoidable by reasonable efforts by any such party);
- allowance overruns for allowances permitted to be included in the guaranteed maximum price;
- delays caused by an inability to start or perform work at the Project site in accordance with the contemplated schedule not due to the fault of W.A. Richardson; and
- delays or defects in work or services caused by us, the architect, or our separate contractors or consultants or an employee of any of them.

Cost overruns could cause us to be out of "balance" under the Disbursement Agreement, rendering us unable to obtain the disbursement of funds from the project accounts, which could prevent us from obtaining funds necessary to finish construction of the Project on schedule or at all. Any such delay could have a significant negative impact on our financial condition and results of operations and our ability to satisfy our obligations under our indebtedness. Additionally, GOHL's obligations under the Change Order Funding Agreement will apply only to certain increases in construction hard costs resulting from material changes in the plans and specifications and other material changes to the design, floor plan, architecture or quality of the Project from that which is contemplated on the date of the Change Order Funding Agreement to the extent resulting in RWLV failing to satisfy the "in balance" test under the Disbursement Agreement. We cannot guarantee that GOHL will have sufficient resources available to fund any obligations under such agreement. In addition, although the guaranteed maximum price construction contract together with the construction budget provides for a total contingency amount of approximately \$200.0 million to cover cost overruns, we cannot assure you that this contingency amount will be sufficient to cover any or all matters for which W.A. Richardson is responsible under the guaranteed maximum price construction contract.

***The financial resources of W.A. Richardson may be insufficient to fund cost overruns for which it is responsible under the guaranteed maximum price construction contract.***

Under the terms of our guaranteed maximum price construction contract with W.A. Richardson, subject to specific conditions and limitations, W.A. Richardson is responsible for all construction costs covered by the guaranteed maximum price construction contract that exceed the approximately \$2.8 billion guaranteed maximum price contained in the contract.

We cannot assure you that W.A. Richardson will have sufficient financial resources to fund any cost overruns for which it is responsible under the guaranteed maximum price construction contract, and especially if it is unable to bid out certain work to subcontractors on favorable terms or at all. Furthermore, W.A. Richardson is not contractually obligated to maintain financial resources to cover cost overruns. In addition, W.A. Richardson is not providing a payment and performance bond and is not otherwise covered by any surety or similar insurance product that would secure its performance under the guaranteed maximum price construction contract. If W.A. Richardson does not have the resources to meet its obligations, we may need to pay these excess costs in order to complete construction of the Project. The budget provides for a contingency amount of \$150.0 million to cover any other Project Cost overruns not covered by the guaranteed maximum price construction contract.

We cannot assure you that this contingency amount, along with amounts available from existing financial resources, will be sufficient to cover any or all matters for which W.A. Richardson is responsible under the guaranteed maximum price construction contract. As a result, we may be required to raise additional funding, which may not be available on satisfactory terms or at all. If the opening of the Resort is delayed or does not occur because we cannot fund cost overruns, it could materially and adversely affect our results of operations, financial condition and ability to satisfy our obligations under our indebtedness.

***Budget constraints could force us to alter the design of the Project, which could adversely affect our future results of operations.***

Descriptions in this offering circular of the various features we expect the Resort to have when completed, including the number of hotel rooms, the amount of gaming space and parking and other amenities, are based on our current plans and expectations as of the date of this offering circular which are subject to change, including as a result of circumstances beyond our control. Since the budget, plans and specifications of the Project have not been completely finalized, it is possible that structural, environmental or other issues, including the price of materials and the cost of required skilled labor, could arise during the development, construction, equipping, financing or opening of the Resort. In addition, completion of the plans and specifications could give rise to unforeseen problems that could result in an increase in the cost or time to complete the Project. Any such issue that arises in connection with the completion of the budget, plans and specifications may not be covered by the guaranteed maximum price construction contract and could materially and adversely impact the overall design of the Project, the amenities and services that we intend to offer, our ability to complete the Project on time and within budget and our ability to effectively market the Project as currently anticipated, any of which could materially and adversely affect our results of operations, financial condition and ability to satisfy our obligations under our indebtedness.

Even if the Resort is not completed in accordance with the specifications set forth in this offering circular, the Opening Date and Completion Date under the Disbursement Agreement may still occur, provided the Resort satisfies the applicable conditions set forth in the Disbursement Agreement, including the completion of the Minimum Facilities (as defined under “Description of Disbursement Agreement”). After the Opening Date, certain restrictions under the Disbursement Agreement, including certifications that the Project is in balance and certain controls over amendments to the Project scope, among other restrictions, will no longer apply. In addition, RWLV will be permitted to withdraw all funds from the disbursement accounts 30 days following the Completion Date. As a result, should we decide in the future that the Resort should have less gaming space or fewer hotel rooms or other amenities, we may still be able to open the Resort if the Minimum Facilities have been completed. Conversely, if we are unable to satisfy the Minimum Facilities requirement under the Disbursement Agreement, the Opening Date and Completion Date will not occur. See “Description of Disbursement Agreement—Termination and Amendments to Disbursement Agreement.”

***Certain provisions in the guaranteed maximum price construction contract with our general contractor and related subcontracts with subcontractors for construction of the Project may be unenforceable.***

Nevada statutes limit an owner’s ability to withhold funds from a contractor or subcontractor in certain circumstances, even when there may be defective work or a dispute regarding amounts owed. These laws also may entitle the contractor and subcontractor to terminate the agreement and to collect payment of some or all of their unearned fee, following a brief notice period, if (i) the owner, through his or her own act or neglect, or through an act or neglect of his or her agent, excluding acts of God, floods, fires, labor disputes, strikes or reasonable adjustments to work schedules, causes the work to be stopped for a period of 15 days or more, (ii) fails to make payment in the time and manner required by the agreement and Nevada law, or (iii) withholds amounts claimed to be due without complying with

the requirements of Nevada law. In addition, Nevada law may permit contractors and subcontractors to stop work after giving notice if payments are not timely made to such contractors or subcontractors, and thereafter terminate construction contracts upon very short notice.

Our guaranteed maximum price construction contract with our general contractor contains, and we expect the subcontracts to contain, provisions that provide us with rights and protections that in some circumstances could be found by a trier-of-fact to be inconsistent with these laws. While certain provisions of these laws may be arguably waivable, others expressly prohibit or make void any such attempted waivers. The ultimate effect of these laws on the provisions of our guaranteed maximum price construction contract is not completely clear. Any provisions of our guaranteed maximum price construction contract or related subcontracts that purport to give us certain rights as to damages, termination or suspension may not be enforceable (in whole or in part) if they are found by a trier-of-fact to conflict with non-waivable provisions of applicable laws, or to the extent any provision purporting to waive waivable provisions of such laws is found to be unenforceable or otherwise ineffective. If these provisions are not enforceable, delays or suspensions in any work initiated or other events could expose us to increased costs. We cannot assure you that we will have sufficient funds to pay these increased costs.

***There is no assurance that our letters of intent with third parties to manage the hotel rooms in one or both of our hotel towers will result in definitive agreements. We intend to finance a portion of the Project construction costs with key money being offered by internationally renowned hotel groups, which may be unavailable if we fail to enter into definitive agreements with such parties.***

We have in the past and may in the future enter into letters of intent with third parties. For example, we have entered into non-binding letters of intent and are in the process of negotiating agreements with the Flag Hotels to manage and/or franchise the hotel rooms in one or both of our hotel towers. The Flag Hotels are expected to provide an aggregate of up to \$75.0 million of “key money” to RWLV at opening. See “Business—Our Key Strategies—Leverage Partnership with Global Hotel Brands.”

Due to the non-binding nature of such letters of intent, we cannot assure you that we will enter into definitive agreements, conduct any business, or earn any revenue or profits under such letters of intent with third parties. If we are unable to enter into a definitive agreement with the Flag Hotels, we will not have access to the “key money” from the Flag Hotels. In the event we do not enter into an alternative definitive agreement for the full anticipated amount, we expect GOHL to fund the shortfall pursuant to the Key Money Funding Agreement, subject to the terms and conditions set forth therein. We cannot guarantee that GOHL will have sufficient resources available to fund any obligations under the Key Money Funding Agreement. See “Description of Keepwell Deed and Funding Agreements—The Key Money Funding Agreement.” Furthermore, while the budget provides for a contingency amount of \$150.0 million to cover any other Project Cost overruns not covered by the guaranteed maximum price construction contract or the Change Order Funding Agreement, we cannot assure you that this contingency amount will be sufficient to cover any Project budget shortfalls as a result of the failure of either GOHL or the Flag Hotels to fund the key money upon the opening of the hotels.

### **General Risks Relating to Our Business**

***We have no operating history.***

We were formed principally to develop and operate the Project. The Project will be a new development, has no history of operations and is subject to all of the risks inherent in the establishment of a new business. We cannot assure you that we will be able to attract a sufficient number of hotel guests, gaming customers and other visitors to the Resort to produce revenues or profits sufficient to satisfy our obligations under the notes and our other indebtedness and to meet our operating cash and

capital needs. See “—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—Our substantial debt obligations could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.”

In addition, we expect that it will take time to establish a position in the highly competitive Las Vegas market and develop a stable patronage base. We cannot be certain how long this will take, and our financial performance may be subject to greater variability until such time. Additionally, certain aspects of our business model are subject to our ability to reach agreements with third parties and other factors beyond our control, and we cannot guarantee that there will not be changes to our plan for operating the Project once operations begin.

Our operations will be subject to the significant business, economic, regulatory and competitive uncertainties and contingencies frequently encountered by new businesses in competitive environments, many of which are beyond our control. Because we have no operating history, it may be more difficult for us to prepare for and respond to these types of risks and the risks described elsewhere in this offering circular than for a company with an established business and operating cash flow. If we are not able to manage these risks successfully, it could materially and adversely affect our business, financial condition, results of operations and cash flow, and our ability to satisfy our obligations under our indebtedness.

***We will be entirely dependent on one property for all of our cash flow, which will subject us to greater risks than a gaming company with more operating properties.***

We are and will be entirely dependent upon the Resort (upon its development and completion) for our cash flow. Given that our current operations are and will be conducted only in Clark County, Nevada, and our revenues will be largely dependent upon the patronage of persons living within or traveling to the Las Vegas area, we will be subject to greater risks than a gaming company with operating properties in several markets. These risks to which we have a greater degree of exposure include:

- dependence on the Las Vegas casino, resort and convention market and limited diversification of our business and source of revenue;
- changes in local economic and competitive conditions;
- changes in local and state governmental laws and regulations, including gaming laws and regulations;
- a decline in visitors traveling to Las Vegas due to higher travel costs (including gasoline prices and ticket costs), an economic downturn, fears concerning travel or otherwise, including natural disasters, terrorist threats and/or attacks, acts of mass violence and the outbreak of infectious diseases;
- adverse publicity regarding Las Vegas;
- an increase in the cost of electrical power as a result of, among other things, power shortages in California or other western states with which Nevada shares a single regional power grid; and
- a decline in the use of or delays in the renovation of the nearby Las Vegas Convention Center.

Any of the factors outlined above could negatively affect our results of operations and our ability to generate sufficient cash flow to make payments or maintain our covenants with respect to our debt.

***Our casino, hotel, convention and other facilities will face intense competition, which may increase in the future.***

The Las Vegas resort industry is highly competitive and additional developments have recently opened or are currently underway, including a new major resort project that is expected to be completed across the street from our site, The Drew Las Vegas. Resorts located on or near the Las Vegas Strip, such as the Resort, compete with other Las Vegas Strip hotels, casinos and resorts, and with hotels, casinos and resorts in other areas of Las Vegas, on the basis of overall atmosphere, range of amenities, level of service, price, location, entertainment, theme and size, among other factors.

Resorts in Las Vegas, to some extent, also compete with other resorts in Nevada, California, New York, New Jersey, riverboat and Native American gaming facilities in other states, resorts in Macau, Singapore and elsewhere in the world, state lotteries, sports betting, online gaming and other forms of gaming. Certain Asian markets, including Macau and Singapore, compete with resorts in Las Vegas for Asian gaming customers, in particular high-rollers. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas and online, and passage of the Indian Gaming Regulatory Act and Economic Self-Sufficiency Act in 1988 has led to the proliferation of Native American gaming operations throughout the United States. The legalization of full commercial casino gaming in or near metropolitan areas, such as Los Angeles, San Francisco, Seattle, New York, Dallas and Houston, from which we intend to attract customers, could detract from our business. Further proliferation of gaming venues could significantly and adversely affect gaming operations in Las Vegas. Overall, increased competition could result in a loss of customers, which may negatively affect our anticipated cash flows and results of operations.

In addition to brick-and-mortar casinos, the Resort may also compete with online gaming and other forms of entertainment, such as state-sponsored lotteries, on- and off-track wagering, card parlors and sports betting. In particular, online gaming platforms offer a variety of online games and entertainment experiences, many of which simulate the games and entertainment experiences we expect to offer. The sophistication and availability of online gaming, both domestically and internationally, is continuing to improve and it is possible that these platforms will develop into a greater form of competition, which may negatively affect our anticipated cash flows and results of operations.

***Our business is particularly sensitive to reductions in discretionary consumer and corporate spending as a result of global economic conditions.***

Consumer demand for resorts, trade shows and conventions and for the type of luxury amenities that we offer is particularly sensitive to changes in the global economy, which adversely impact discretionary spending on leisure activities. Changes in discretionary consumer spending or consumer preferences brought about by factors such as perceived or actual general global economic conditions, high unemployment, weakness in housing or oil markets, perceived or actual changes in disposable consumer income and wealth, an economic recession and changes in consumer confidence in the global economy, or fears of war and future acts of terrorism and mass violence have in the past and could in the future reduce customer demand for the type of luxury amenities and leisure activities we expect to offer, which could impose downward pressure on pricing and, in turn, have a significant negative impact on our future operating results. Further, consumer demographics and preferences may evolve over time, which, for example, has resulted in growth in consumer demand for non-gaming offerings. Our success depends in part on our ability to anticipate the preferences of consumers and react to those trends and any failure to do so may negatively impact our operating results.

In addition, we expect that a significant portion of our table games revenue at the Resort will be attributable to the play of a limited number of high-end customers. The loss or a reduction in the play of even a small number of these customers, whether resulting from any one or more of the factors

described above or circumstances unique to those customers, could have a substantial negative effect on our future operating results and our ability to satisfy our obligations under our indebtedness.

The Genting Group's predominant business is the Leisure & Hospitality Division, which accounted for 83.0% and 83.2% of its revenues for the years ended December 31, 2017 and 2018, respectively. Furthermore, substantially all of GOHL's assets consist of its equity in Genting Singapore, a majority-owned subsidiary of Genting Berhad. Genting Singapore owns and operates Resorts World Sentosa in Singapore, and GOHL's ability to make payments under the Funding Agreements will depend upon its receipt of dividends from Genting Singapore. As a result, the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements are also subject to the same risks described above.

***Our business is particularly sensitive to the willingness of our customers to travel. Acts or the threat of acts of terrorism, acts of mass violence, regional political events and developments in certain countries could cause severe disruptions in air travel that reduce the number of visitors to our facilities, resulting in a material adverse effect on our business and financial condition, results of operations or cash flows.***

We will be dependent on the willingness of our customers to travel. We expect that only a small amount of our business will be generated by local residents. Most of our customers will travel, sometimes internationally, to reach our Las Vegas property. Moreover, we believe one of our competitive strengths is our proximity to the Las Vegas Convention Center and our ability to attract convention attendees who largely travel to reach Las Vegas. Any acts of terrorism or mass violence or concerns over the possibility of such acts may severely disrupt domestic and international travel, which would result in a decrease in customer visits to Las Vegas, including to the Resort. Disruptions in air or other forms of travel as a result of any terrorist act, act of mass violence, outbreak of hostilities, escalation of war or worldwide infectious disease outbreak would have an adverse effect on our business and financial condition, results of operations and cash flows. In particular, the Resort will be an Asian-themed resort and part of our target market includes international travelers visiting Las Vegas from Asia. Therefore, any disruption or fear of disruption regarding travel between Asia and the United States, including any changes in U.S. administrative policy regarding the availability of visas to travelers from Asia, may have a negative impact on our business, financial condition, results of operations and cash flows.

Similarly, the number of tourists visiting the countries in which the Genting Group's Leisure & Hospitality Division operates may also be adversely affected due to the factors described above. As a result, the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements are subject to the same risks described above.

***The planned renovation of the Las Vegas Convention Center may be canceled or delayed, reducing the anticipated increase in number of visitors to the area for trade shows and conventions.***

The Resort will be located in close proximity to the Las Vegas Convention Center along the Las Vegas Strip. The Las Vegas Convention Center spans approximately 3.2 million square feet of total convention space, including more than 2 million square feet of exhibition space and 145 meeting rooms. In 2017, Las Vegas hosted more than 21,000 conferences, conventions and meetings, and approximately 6.5 million people attended conferences and conventions in Las Vegas in 2018. The Resort's proximity to the Las Vegas Convention Center may enable it to capture the mid-week business travelers by providing one of the most convenient accommodation options.

In June 2017 the LVCVA's board of directors approved an approximately \$1.4 billion expansion and renovation of the Las Vegas Convention Center. Phase 1, consisting of the land acquisition and demolition, is complete. Phase 2, which broke ground in January 2018, is expected to cost \$860.0 million and will result in a 1.4 million square foot expansion, including 600,000 square feet of

new exhibit space, with a targeted completion by 2021. Phase 3 is expected to cost \$540.0 million and includes a complete renovation of the existing 3.2 million square-foot facility, with a targeted completion by 2023. If the planned Las Vegas Convention Center renovation and expansion is delayed or canceled, it may have a negative impact on our revenue, cash flows and results of operations.

***Our business may be adversely affected if our internal control over financial reporting is not effective.***

Effective internal control over financial reporting is necessary for companies to provide reliable financial information and prevent fraud. As a privately held company, we are not required to maintain internal control over financial reporting in a manner that meets the standards of publicly traded companies required by Section 404 of the Sarbanes-Oxley Act of 2002, as amended. Although we believe we have devoted adequate resources to implementing and monitoring our internal control over financial reporting, all internal control systems, no matter how well-designed, have inherent limitations, including the possibility of human error, the circumvention or overriding of controls or fraud. As a result, misstatements due to error or fraud may occur and may not be prevented or detected on a timely basis. Even effective internal control over financial reporting can provide only reasonable assurance with respect to the preparation and fair presentation of financial statements.

***We currently have very few employees and are dependent on the Genting Group for various support services.***

Except for the appointment of a small number of officers, we currently have a limited number of managers or employees. Until we appoint additional officers and hire additional employees, we will be dependent on the services of the Genting Group to provide us with various support services, including legal, accounting, finance, operational support and oversight, marketing, employee management and customer support services. See “Certain Relationships and Related Party Transactions—Related Party Transactions Entered Into Prior to this Offering—Services Agreement.”

Our ability to successfully develop the Project on time and on budget is dependent to a large degree on the skills and efforts of employees of the Genting Group. However, these individuals will not be our employees and they will not be devoting all of their time and attention to the development of the Project.

If we or the Genting Group are unable to retain the services of our or their employees, including as a result of any finding of unsuitability by the Nevada Gaming Authorities, or if those employees do not devote sufficient time and attention to the development of the Project, we may be unable to complete the Project on time and within our estimated budget, or at all.

***The Genting Group’s involvement with other projects may adversely affect the Project.***

The Genting Group currently owns and operates two integrated resorts and more than 50 properties around the world. As numerous regulatory approvals, licenses and permits are required for the development and management of these other properties, the Genting Group must devote significant funds, in addition to human and other resources, to meet its obligations with respect to these properties. As resources are expended for these other properties, the resources available for the development and management of the Resort may be diverted, which may have a material adverse effect on the development and construction of the Resort and our business, financial condition, results of operations, and our ability to make payments on the notes.

***The interests of Genting Berhad’s major shareholders may differ from your interests.***

Our ultimate parent company is Genting Berhad. As of December 31, 2018, Parkview Management Sdn Bhd (“Parkview”), as trustee of a discretionary trust, through its indirect wholly owned companies, namely Kien Huat Realty Sdn Bhd and Inverway Sdn Bhd, owned 38.4% of Genting Berhad’s ordinary shares. These shares are ultimately held by Parkview as trustee of a discretionary trust, the beneficiaries



of which are Tan Sri Lim Kok Thay, Genting Berhad's Chairman and Chief Executive, his son Lim Keong Hui, who is the Deputy Chief Executive and Executive Director of Genting Berhad, and certain other family members. Tan Sri Lim Kok Thay, Lim Keong Hui and Parkview, as trustee of the discretionary trust, are the major shareholders of Genting Berhad (and consequently of the Issuers) and, subject to the Main Market Listing Requirements of Bursa Securities and relevant laws, have the ability to indirectly exert significant influence over certain aspects of the Genting Group's business and affairs through the election of directors and vote on corporate actions requiring shareholder approval. This concentration of ownership could also deter a change in control of our company and make the approval of some transactions difficult without the support of Tan Sri Lim Kok Thay, Lim Keong Hui and Parkview. The relationship between Tan Sri Lim Kok Thay, Lim Keong Hui, Parkview and Genting Berhad may give rise to conflicts of interest with respect to, among other things, transactions and agreements among other entities controlled by Parkview, Tan Sri Lim Kok Thay, Lim Keong Hui and us, issuances of additional securities and the election of directors. To the extent the interests of Tan Sri Lim Kok Thay, Lim Keong Hui and Parkview diverge from our interests, they may exercise their substantial influence over us in favor of their own interests over our interests. Similarly, the interests of Tan Sri Lim Kok Thay, Lim Keong Hui and Parkview may differ from or conflict with your interests as a holder of the notes.

***Various subsidiaries of the Genting Group and various entities held by or under the control of the Chairman and Chief Executive of Genting Berhad and his family members operate in the same industries and may in certain instances compete against each other and us for customers and business.***

In addition to RWLV, the Genting Group includes Genting Malaysia and its subsidiaries, that own and operate Resorts World Genting in Malaysia, Genting UK Plc's over 40 casinos in the United Kingdom, Resorts World Omni in Miami, Florida and Resorts World Bimini in the Bahamas, as well as Genting Singapore, that owns and operates Resorts World Sentosa in Singapore. Genting Malaysia also owns RWNYC. To the extent there is an overlap regarding the customers which the Genting Group targets and the markets in which it operates, the subsidiaries within the Genting Group may compete against each other for customers and business.

Further, Tan Sri Lim Kok Thay, Genting Berhad's Chairman and Chief Executive, is also the Chairman and Chief Executive Officer of Genting Hong Kong, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited and principally engaged in the business of cruise and cruise-related operations, shipyard operations, and leisure, entertainment and hospitality activities, and a director of Travellers International Hotel Group, Inc., which is listed on the Main Board of The Philippine Stock Exchange, Inc. and an associate of Genting Hong Kong and the developer and operator of Resorts World Manila, an integrated tourism resort in the Philippines. Tan Sri Lim Kok Thay is also a director of Golden Hope Limited ("GHL"), which acts as trustee of the Golden Hope Unit Trust, a trust that is ultimately owned by a discretionary trust in which Tan Sri Lim Kok Thay, his son Lim Keong Hui, who is the Deputy Chief Executive and Executive Director of Genting Berhad and the Executive Director—Chairman's Office and Chief Information Officer of Genting Hong Kong, and certain other family members are beneficiaries. GHL, as trustee of the Golden Hope Unit Trust, holds a 64.3% equity interest in Genting Hong Kong. Joondalup Limited, a company that is wholly owned by GHL as trustee of the Golden Hope Unit Trust, and of which Tan Sri Lim Kok Thay is a director, holds a 6.4% equity interest in Genting Hong Kong; and Goldsfine Investment Ltd, an entity owned by Tan Sri Lim Kok Thay and his spouse, holds a 0.4% equity interest in Genting Hong Kong. GHL, as trustee of the Golden Hope Unit Trust, also indirectly owns approximately 84.7% of the voting interest in Empire Resorts Inc., a gaming and entertainment company listed on the NASDAQ which through various subsidiaries owns and operates Resorts World Catskills and Monticello Casino and Raceway, both located in New York State in the US.

Various subsidiaries within the Genting Group, including RWLV, therefore compete for customers and business with entities held by or under the control of Tan Sri Lim Kok Thay and/or Mr. Lim Keong Hui and Tan Sri Lim Kok Thay's family members, which may result in conflicts of interest that could materially and adversely affect our business, performance, prospects, value, financial condition, and results of operations.

***If we are unable to recruit, train and retain qualified management and employees, our business could be significantly harmed.***

In order to commence operations of the Resort, we will be required to undertake a major recruiting and training program. In order to operate the Resort effectively, we will need to recruit numerous executives, managers and employees with hospitality and gaming industry experience. We cannot assure you that a sufficient number of qualified employees will be available to meet our labor needs, particularly given the intense competition for skilled employees in the Las Vegas market.

In addition, our employees will be required to file applications with the Nevada Gaming Authorities and be licensed or registered by the Nevada Gaming Authorities and maintain such licenses or registrations. If the Nevada Gaming Authorities were to find an employee unsuitable for licensing or registration or unsuitable to continue having a relationship with us, we would not be able to hire that employee or, if he or she had already been hired, we would have to sever all relationships with that person. Furthermore, the Nevada Gaming Authorities will require us to terminate the employment of any person who refuses to file appropriate applications.

While our ability to establish and maintain our competitive position will be dependent to a large degree on the efforts and skills of our employees, including the persons we hire as our senior executives, we cannot assure you that we will be able to find suitable and qualified candidates for all of the positions that we will need to fill before the opening of the Resort. We also cannot assure you that, once hired, we will be able to retain our employees or find suitable and qualified replacements for those employees whose employment terminates. If we are unable to attract, hire and retain an adequate number of suitable and qualified employees, our business may be significantly impaired.

***Our business will be reliant, in part, on customers to whom we extend credit, and we may not be able to collect gaming receivables from our credit players or credit play may decrease.***

We will conduct our gaming activities on a credit as well as a cash basis. The casino credit we will typically extend is generally unsecured and due on demand. We will extend casino credit to those customers whose level of play and financial resources, in the opinion of management, warrant such an extension. The collectability of receivables from international customers could be negatively affected by future business or economic trends or by significant events in the countries in which these customers reside.

While gaming debts evidenced by a credit instrument, including what is commonly referred to as a "marker," are enforceable under the current laws of Nevada, and judgments on gaming debts are enforceable in all states of the United States under the Full Faith and Credit Clause of the United States Constitution, other jurisdictions may determine that direct or indirect enforcement of gaming debts is against public policy. Although courts of some foreign nations will enforce gaming debts directly and the assets in the United States of foreign debtors may be used to satisfy a judgment, judgments on gaming debts from U.S. courts are not binding on the courts of many foreign nations. We cannot assure that we will be able to collect the full amount of gaming debts owed to us, even in jurisdictions that enforce them. Changes in economic conditions may make it more difficult to assess creditworthiness and more difficult to collect the full amount of any gaming debt owed to us. Our inability to collect gaming debts could have a significant negative impact on our operating results.

***We are dependent upon technology services and electrical power to operate our business, and if we experience damage or service interruptions once the Project is operating, we may have to cease some or all of our operations, resulting in a decrease in revenues.***

Our gaming operations will rely heavily on technology services and an uninterrupted supply of electrical power. Our security system and all of our slot machines will be controlled by computers and reliant on electrical power to operate. Without electrical power or a failure of the technology services needed to run the computers, we may be unable to run all or parts of our gaming operations. In addition, our technology services and systems, including our customer management system, may be incompatible with those of the Flag Hotels, which could result in a service interruption, disruption to our operations, or inconvenience to our customers. Any unscheduled interruption in our technology services or interruption in the supply of electrical power is likely to result in an immediate, and possibly substantial, loss of revenues due to a shutdown of our gaming operations. Our systems may be vulnerable to damage or interruption from earthquakes, flood, fires, power loss, telecommunication failures, terrorist attacks, acts of mass violence, computer viruses, computer denial-of-service attacks and similar events. Similarly, the operations of the Genting Group may also be adversely affected due to the factors described above. As a result, the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements are subject to the same risks described above.

***Our information technology and other systems are subject to cybersecurity risk including misappropriation of customer information or other breaches of information security.***

We will rely on information technology and other systems (including those maintained by third parties with whom we will contract to provide data services) to maintain and transmit large volumes of customer financial information, credit card settlements, credit card funds transmissions, mailing lists and reservations information and other personally identifiable information. We will also maintain important internal company data such as personally identifiable information about our employees and information relating to our operations. The systems and processes we will implement to protect customers, employees and company information are subject to the ever-changing risk of compromised security. These risks include cyber and physical security breaches, system failure, computer viruses, and negligent or intentional misuse by customers, company employees, or employees of third-party vendors. The steps we take to deter and mitigate these risks may not be successful and our insurance coverage for protecting against cybersecurity risks may not be sufficient. Our third-party information system service providers will face risks relating to cybersecurity similar to ours, and we will not directly control any of such parties' information security operations. A significant theft, loss or fraudulent use of customer or company data maintained by us or by a third-party service provider could have an adverse effect on our reputation, cause a material disruption to our operations and management team, and result in remediation expenses, regulatory penalties and litigation by customers and other parties whose information was subject to such attacks, all of which could have a negative effect on our business, results of operations and cash flows.

The collection and use of personal data is governed by privacy laws and regulations and privacy law is an area that changes often and varies significantly by jurisdiction. Compliance with applicable privacy regulations may increase our operating costs and/or adversely impact our ability to market our products, properties and services to our guests. In addition, non-compliance with applicable privacy regulations by us (or in some circumstances non-compliance by third parties engaged by us) or a breach of security on systems storing our data may result in damage of reputation and/or subject us to fines, payment of damages, lawsuits or restrictions on our use or transfer of data.

Similarly, the operations of the Genting Group may also be adversely affected due to the factors described above. As a result, the ability of Genting Berhad to satisfy its obligations under the Keepwell

Deed, and of GOHL to satisfy its obligations under the Funding Agreements are subject to the same risks described above.

*From time to time, we may be involved in legal and other proceedings arising out of our operations.*

We may be involved in disputes with various parties related to the construction and operation of the Project, including contractual disputes with contractors, suppliers and construction workers or property damage or personal liability claims. Regardless of the outcome, these disputes may lead to legal or other proceedings and may result in substantial costs, delays in our development schedule and the diversion of resources and management's attention. For example, in December 2018, Wynn Resorts Holdings ("Wynn"), the owner of the Wynn and Encore resort casinos, filed suit against RWLV in the U.S. District Court for the District of Nevada, alleging trade dress infringement, unfair competition, trademark dilution and copyright infringement relating to the design of the Resort. We agreed, pursuant to a settlement agreement we entered into with Wynn in January 2019, to make certain changes to the design of the Resort. Though such changes did not result in substantial costs or any delays in our development schedule, there can be no guarantee that any future disputes in which we may become involved will not result in such costs or delays. In addition, we may be involved in a variety of litigation arising out of our business. We intend to carry insurance to cover most business risks, but there can be no assurance that the insurance coverage we have will cover all claims that may be asserted against us. Should any ultimate judgments or settlements not be covered by insurance or exceed our insurance coverage, such uncovered losses could increase our costs and thereby lower our profitability. There can also be no assurance that we will be able to obtain the appropriate and sufficient types and levels of insurance once the Resort is operating. We may also have disagreements with regulatory bodies in the course of our operations, which may subject us to administrative proceedings and unfavorable decisions that result in penalties and/or delay the development of the Project. In such cases, our business, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, other members of the Genting Group, including other Resorts World-branded businesses may also be subject to various litigation or arbitration proceedings from time to time. For example, on November 26, 2018, Genting Malaysia filed legal proceedings in the State of California, United States, against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, FoxNext, LLC (collectively, "Fox"), Twenty First Century Fox, Inc. ("21CF") and The Walt Disney Company ("Disney" and, together with Fox and 21CF, the "Defendants") in response to a notice issued by Fox in which it terminated the Memorandum of Agreement dated June 1, 2013, as amended (the "MOA") entered into between Genting Malaysia and Twentieth Century Fox Licensing & Merchandising, a division of Fox Entertainment Group, Inc. Under the MOA, Genting Malaysia was granted a license to utilize certain intellectual property rights associated with Fox theatrical motion pictures in connection with the design, development, construction and operation of what was to be called the Twentieth Century World theme park under Genting Malaysia's Genting Integrated Tourism Plan ("GITP"). The lawsuit seeks, among other things, a claim for the cost of Genting Malaysia's investment in the park and consequential and punitive damages that in total will exceed \$1.0 billion. On January 22, 2019, the Defendants filed answers to Genting Malaysia's lawsuit and simultaneously filed a counterclaim against Genting Malaysia, claiming a monetary sum of approximately \$46.4 million with respect to annual license fees, guarantee amounts and royalties and travel reimbursements pursuant to the MOA, as well as consequential damages, reasonable costs and other relief under applicable law. Disputes and legal proceedings in which other members of the Genting Group may be involved are subject to uncertainty, and their outcomes are often difficult to predict. The costs of defending or litigating any such claims and any associated settlement costs could be substantial, even with respect to claims that the Genting Group may consider to have no merit. In addition, adverse judgments or awards arising from litigation or arbitration proceedings could result in restrictions or limitations on the Genting Group's operations or result in a material adverse impact on the Genting

Group's reputation or financial condition. Members of the Genting Group, including other Resorts World-branded businesses, could be involved in claims, lawsuits and administrative proceedings relating to money laundering or environmental matters in connection with gaming activities. The occurrence of any of these events or the perception that any of the Genting Group's operations may cause or be associated with negative effects may significantly damage its reputation and, in turn, the Resorts World brand and reputation. Furthermore, due to the inherent uncertainty of the litigation, arbitration and dispute resolution processes, there is no assurance that the resolution of any particular legal proceeding or dispute will not have, individually or in the aggregate, a material adverse effect on the Genting Group's financial condition and results of operations. Any such event would likely result in a material impairment in the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.

***We are subject to a variety of federal, state and local laws and regulations relating to pollution, the protection of the environment and human health and safety, which could materially affect our business, financial condition, results of operations and cash flows.***

Our facilities and operations are subject to federal, state and local laws, rules and regulations relating to the protection of the environment and human health and safety, including those relating to air emissions, occupational health and safety, waste regulation, water discharges and remediation of contamination. Such laws and regulations require us to obtain, maintain and renew environmental operating or construction permits, licenses or approvals, as applicable. Failure to comply with such laws, rules and regulations or any liabilities or claims arising under such laws, rules or regulations, could require us to incur potentially significant costs or sanctions, including fines, penalties, capital expenditures or cessation of operations, or otherwise adversely affect our business, financial condition and results of operations. Similarly, the Genting Group's failure to comply with laws, rules and regulations relating to the protection of the environment and human health and safety applicable to its business in its various jurisdictions of operation may also adversely affect the Genting Group's business, financial condition and results of operations, and impact the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.

As the owner of the property on which the Project is situated, we may be subject to liability under environmental laws for contamination or releases of regulated substances or petroleum at or from the property. Environmental laws can impose cleanup responsibility and liability without regard to whether the owner or operator knew of or caused the presence of the contaminants. The liability under those laws has been interpreted to be joint and several unless the harm is divisible and there is a reasonable basis for allocation of the responsibility. Should unknown contamination be discovered at our property, or should a release occur at the property, we could be required to investigate and clean up the release and could also be held responsible to a governmental entity or third parties for property damage, personal injury and investigation and cleanup costs incurred by them in connection with the contamination, and these costs and related liabilities could be substantial. We may also be subject to liability under environmental laws as a result of contamination at facilities previously owned or operated by us or our predecessors in interest or for third-party contaminated facilities to which we have sent waste for treatment or disposal. The costs of investigation, remediation or removal of those substances may be substantial, and the presence of those substances, or the failure to remediate a property properly, may impair our ability to use or sell the property. Any of these events could have a material adverse effect on our business, financial condition, results of operations and cash flows.

***Any damage to the Resorts World brand, the Genting brand or the Genting Group's intellectual property could have a material adverse effect on our business.***

Our success and competitive position will depend in large part on the strength of the Resorts World brand and on our continued ability to use it and our other related intellectual property. Similarly, the popularity of the Genting Group's products and services is largely dependent on the goodwill associated with the Genting and Resorts World brand names and logos. Any negative publicity or unauthorized use of the Resorts World brand or marks, or negative publicity regarding the Genting brand or Genting Berhad's other business operations, could have a material adverse effect on the Resort. Furthermore, if Genting Berhad does not continue to invest in the Resorts World brand or the Genting brand and successfully compete with other brands of casinos and hotels, its popularity may decline, which in turn could have a material adverse effect on our ability to attract patrons to our Resort.

The Genting Group relies on a combination of trademarks, service marks and domain name registrations, common law copyright protection and contractual restrictions to establish and protect the Genting and Resorts World brand names and logos and to maintain its proprietary rights for its business operations. There can be no assurance, however, that this will be sufficient to protect the Genting and Resorts World brands and other intellectual property rights. Under the terms of the License Agreements, we will be dependent upon GIP and our other licensors to maintain, and procure the maintenance of, the Resorts World trademarks and service marks and other related intellectual property as valid and enforceable, and to protect and enforce its rights in such marks against third parties. Third parties claiming a prior right to the use of "Resorts World" marks or similar marks may challenge our and our affiliates' use of the marks and attempt to overcome the presumptions afforded by the registration process. A successful challenge by a third-party could result in our loss of the right to use the marks under the License Agreements and therefore our ability to operate under the Resorts World brand name. Such third-party could also bring a claim against us directly and attempt to prevent our use of the marks and/or seek monetary damages as a result of our use. Additionally, given that we do not own any of the "Resorts World" marks, any change to, or termination of, the License Agreements could result in our loss of the right to use such marks. The loss of any Resorts World intellectual property rights, or our ability to use such rights in accordance with the License Agreements, may have a material adverse effect on the success of the Resort and impair our ability to satisfy our obligations under our indebtedness. Similarly, the loss of any Genting intellectual property rights, or the Genting Group's ability to use such rights, may adversely affect the Genting Group's business, financial condition and results of operations, and the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.

***We may incur losses that are not adequately covered by insurance.***

During construction of the Project, we are required to maintain various types of insurance coverage under the Credit Agreement. In each case, the insurance we carry is subject to various caps on liability, on both a per claim and aggregate basis, as well as certain deductibles and other terms and conditions. We cannot assure you that our level of insurance will be adequate to cover all loss and damage during the construction period in the event of major casualty in order for us to finish construction of the Project on time or at all. In addition, delays occasioned by major casualty events may adversely affect our ability to meet our budget and timetable for the Resort's anticipated opening date. We are not insured against all risk.

Likewise, after completion of the Project, we will be required to maintain various types of insurance coverage under the Credit Agreement. In each case, the insurance we carry will be subject to various caps on liability, on both a per claim and aggregate basis, as well as certain deductibles and other terms and conditions. If we incur losses or damages exceeding the limits of our insurance coverage, or for claims outside the scope of our insurance coverage, our business and results of

operations could be materially and adversely affected. Certain acts and events could expose us to significant uninsured losses and, as a result, we may suffer a disruption of our business and be subject to claims by third parties who may be injured or harmed. Any losses or damages that we incur that are not adequately covered by insurance may harm our financial condition and our ability to make payments on the notes.

Similarly, the operations of the Genting Group may also be adversely affected due to the factors described above. As a result, the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements are subject to the same risks described above.

***Theoretical win rates for our casino operations depend on a variety of factors, some of which are beyond our control.***

The gaming industry is characterized by an element of chance. In addition to the element of chance, win rates are also affected by the spread of table limits and factors that are beyond our control, such as a player's skill and experience, the mix of games played, the financial resources of players, the volume of bets played, the amount of time players spend on gambling and undiscovered acts of fraud or cheating. As a result of the variability in these factors, the actual win rates at the Resort may differ from the theoretical win rates anticipated and could result in the winnings of our gaming patrons exceeding ours. The variability in these factors, alone or in combination, has the potential to negatively impact our actual win rates, which may materially and adversely affect our business, financial condition, results of operations and cash flows. Since there is an inherent element of chance in the gaming industry, we do not have full control over our winnings or the winnings of our gaming customers. Similarly, the operations of the Genting Group may also be adversely affected due to the factors described above. As a result, the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements are subject to the same risks described above.

***We face the risk of fraud or cheating and money laundering activities.***

Players in the Resort may attempt or commit fraud or cheat in order to increase their winnings. Acts of fraud or cheating could involve the use of counterfeit chips or other tactics, possibly in collusion with our employees. Internal acts of cheating could also be conducted by employees through collusion with dealers, surveillance staff, floor managers or other casino or gaming area staff. Failure to discover such acts or schemes in a timely manner could result in losses in our gaming operations. In addition, negative publicity related to such schemes could have an adverse effect on our reputation, thereby materially and adversely affecting our business, financial condition, results of operations and cash flows.

Money laundering is another risk faced by the gaming industry. While strict procedures and controls can be put in place to address such risk, such as obtaining suitable documents to identify customers and monitoring transactions, it is possible that third parties may attempt to carry out money laundering transactions that may not be detectable or preventable. Any incidents of money laundering, accusations of money laundering or regulatory investigations into alleged money laundering activities involving us, our employees, agents, affiliates or customers could have a material adverse effect on our reputation and business and may subject us to penalties and sanctions, or adverse disciplinary actions regarding our gaming licenses.

Other casinos in the Genting Group's Leisure & Hospitality Division are subject to similar risks with respect to fraud, cheating and money laundering by their employees, agents, affiliates and customers. Any incidents, accusations or regulatory investigations involving one or more of these matters, and the related negative publicity, would adversely affect the Resorts World reputation and

brand, and the business, financial condition, results of operations and cash flows of the Genting Group. As a result, any such event would likely result in a material impairment in the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.

***We are subject to extensive state and local regulation, and licensing and gaming authorities have significant control over our operations. The cost of compliance or failure to comply with such regulations and authorities could have a negative effect on our business.***

The operations of the Resort will be contingent upon our obtaining and maintaining all necessary licenses, permits, approvals, registrations, findings of suitability, orders and authorizations. The laws, regulations and ordinances requiring these licenses, permits and other approvals generally relate to the responsibility, financial stability and character of the owners and managers of gaming operations, as well as persons financially interested or involved in gaming operations. The scope of the approvals required to open and operate a facility is extensive. Failure to obtain or maintain the necessary approvals could prevent or delay the completion or opening of all or part of the Resort or otherwise affect its design and features. We do not currently hold all of the state and local licenses and related approvals necessary to conduct our planned gaming operations in Nevada and we cannot be certain that we will obtain at all, or on a timely basis, all required approvals and licenses. Failure to obtain or maintain any of the required gaming approvals and licenses could significantly impair our financial position and results of operations.

The Nevada Gaming Authorities may require the holder of any debt securities, and will require the holder of any equity securities that we issue, including the notes, to file applications, be investigated and be found suitable to own our securities if it has reason to believe that the security ownership would be inconsistent with the declared policies of the State of Nevada. Nevada Gaming Authorities have broad powers to request detailed financial and other information, to limit, condition, suspend or revoke a registration, gaming license or related approvals; approve changes in our operations; and levy fines, impose conditions or limitations, or require forfeiture of assets for violations of gaming laws or regulations. Complying with gaming laws, regulations and license requirements is costly. Any change in the laws, regulations or licenses applicable to our business or a violation of any current or future laws or regulations applicable to our business or gaming licenses could require us to make substantial expenditures or forfeit assets, and would negatively affect our gaming operations. See “Licensing and Regulation by Gaming and Other Authorities.”

Additionally, the Genting Group is subject to extensive regulation, in particular relating to gaming, leisure and hospitality, plantation activities, energy, environmental matters and health and safety, in a number of jurisdictions around the world and, as a result, is required to obtain and maintain a variety of licenses, permits, approvals and registrations, and otherwise comply with the unique legal and regulatory requirements of each jurisdiction in which it operates. For example, Genting Berhad, GOHL and relevant individuals such as directors and key senior management are required to submit periodic reports as well as to make timely disclosures of specified events to the Singapore CRA.

Failure to renew or maintain any required licenses, permits or approvals or any relevant Genting Group entity’s inability to satisfy any existing or new laws and regulations or the license conditions in the future may result in the revocation of licenses, permits and approvals, the suspension of operations, the imposition of fines, the imposition of remedial measures or give rise to other liabilities that may result in significant costs, including compliance costs and/or additional capital expenditure. Such liabilities and costs could have a material adverse effect on the Genting Group’s business, financial condition and results of operations, and adversely affect the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.



***Any violation of applicable anti-money laundering laws or regulations or the FCPA could adversely affect our business, performance, prospects, value, financial condition, and results of operations.***

The Resort's operations will deal with significant amounts of cash and we will be subject to various reporting and anti-money laundering laws and regulations. Recently, U.S. governmental authorities have increased their focus on the gaming industry and compliance with anti-money laundering laws and regulations. From time to time, we may receive governmental and regulatory inquiries about compliance with such laws and regulations. Any violation of anti-money laundering laws or regulations could adversely affect our business, performance, prospects, value, financial condition, and results of operations.

Further, the Genting Group has operations, and a significant portion of its revenue is derived from customers, outside of the United States, including Malaysia, Singapore and certain other countries, which exposes the Genting Group to complex regulations inherent in each of the countries in which it transacts business. The Genting Group also has subsidiaries in the United States and the United Kingdom and it is subject to compliance with the U.S. Foreign Corrupt Practices Act of 1977 (the "FCPA") and other similar anti-corruption laws, including (but not limited to) the United Kingdom Bribery Act of 2010, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business. While the Genting Group's employees and agents are required to comply with these laws, the Genting Group cannot guarantee that its internal policies and procedures will always protect it from violations of these laws. Violations of these laws may result in severe criminal and civil sanctions as well as other penalties or sanctions. In certain jurisdictions, the gaming license or approval may be revoked in the event of serious breaches of laws or regulations. The occurrence or allegation of these types of risks may materially and adversely affect the Genting Group's reputation, business, prospects, financial condition, results of operations, the Resorts World brand and reputation, and the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.

***Compliance with changing laws and regulations may result in additional expenses and compliance risks.***

Changing laws and regulations are creating uncertainty for gaming companies. These changing laws and regulations are subject to varying interpretations in many cases due to their lack of specificity, recent issuance and/or lack of guidance. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. In addition, further regulation of casinos, financial institutions and public companies is possible. This could result in continuing uncertainty and higher costs regarding compliance matters. Due to our commitment to maintain high standards of compliance with laws and public disclosure, our efforts to comply with evolving laws, regulations and standards have resulted in and are likely to continue to result in increased general and administrative expense. In addition, we are subject to different parties' interpretation of our compliance with these new and changing laws and regulations.

***We are subject to taxation by various governments and agencies. The rate of taxation could change.***

We are subject to taxation in the United States at the federal, state and local level. Specific rates of taxation can be changed by legislative action. Increases in taxation could adversely affect our results of operations.

In addition, amendments or differing interpretations, or implementation of, tax laws and regulations may also adversely affect the Genting Group's profitability after tax, particularly given the number of jurisdictions in which it operates. The Genting Group's gaming operations are subject to a number of taxes including, among others, gaming taxes and goods and services taxes. Effective January 1, 2019, casino duties in Malaysia increased by 10%. Such increases in existing taxes or the

introduction of new tax laws and regulations may have a material adverse effect on the Genting Group's business, financial condition, results of operations and cash flows and, in turn, impair the ability of Genting Berhad to satisfy its obligations under the Keepwell Deed, and of GOHL to satisfy its obligations under the Funding Agreements.

### **Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements**

***None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.***

In connection with this offering, Genting Berhad and GOHL will enter into the Keepwell Deed and the Funding Agreements, respectively, in relation to the notes. None of the Keepwell Deed or the Funding Agreements, or any action required to be taken by Genting Berhad or GOHL, respectively, thereunder, can be deemed to be a guarantee by Genting Berhad or GOHL for the payment obligation of the Issuers or the guarantors under the notes or the guarantees. Accordingly, Genting Berhad and GOHL will only be required to comply with the undertakings given in the Keepwell Deed and the Funding Agreements, respectively, and will not assume any payment obligation with respect to the notes as in the case of a guarantee. Furthermore, the manner of Genting Berhad and GOHL performing their obligations under the Keepwell Deed and the Funding Agreements, respectively, may be subject to obtaining prior governmental or regulatory approvals, consents, permits, licenses, registrations, authorizations and filings as may be required by applicable laws ("Regulatory Approvals"), including from Bank Negara Malaysia, the Central Bank of Malaysia. For example, under current exchange control rules in Malaysia, if Genting Berhad (in performing its obligations under the Keepwell Deed) were to elect to support the net worth of RWLV using foreign currency funds sourced from conversion of Ringgit Malaysia denominated funds, such conversion of Ringgit Malaysia may be subject to the approval of Bank Negara Malaysia, the Central Bank of Malaysia. Lastly, if not terminated earlier pursuant to their terms, including due to certain foreclosure actions with respect to a material portion of our assets or any direct or indirect equity interests of us or our subsidiaries that own the Project, including by the secured creditors under the Senior Secured Credit Facilities, the Debt Service Funding Agreements provide for a termination date at the end of the Funding Period, which runs from the closing date of this offering to the second anniversary of the Opening Date. After any such termination, GOHL will not have any obligations under the Debt Service Funding Agreements. See "Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements."

In addition, although Genting Berhad will be required to use commercially reasonable efforts to obtain any required consents, approvals, permits, licenses, registrations, authorizations and/or filings in order to fulfill its obligations under the Keepwell Deed, there is no assurance that such consents, approvals, permits, licenses or authorizations will be obtained in a timely manner or at all. In the event that Genting Berhad fails to obtain the requisite Regulatory Approvals after using commercially reasonable efforts, (i) Genting Berhad would not be deemed to have breached or violated its relevant obligations under the Keepwell Deed, and (ii) the Issuers and the guarantors may not have sufficient funds to discharge their outstanding payment obligations to the holders of the notes. See "Description of Keepwell Deed and Funding Agreements—The Keepwell Deed."

***The notes and the guarantees will be unsecured obligations and will be effectively subordinated in right of payment to any secured indebtedness of the Issuers or the guarantors, including borrowings under the Senior Secured Credit Facilities, and will be structurally subordinated to all indebtedness and other obligations of our subsidiaries that do not guarantee the notes.***

The notes and the guarantees will be unsecured obligations of the Issuers and the guarantors, ranking effectively junior in right of payment to all of the Issuers' and the guarantors' respective existing and future secured obligations, including borrowings under the Senior Secured Credit Facilities,

to the extent of the assets securing such obligations; *provided* that prior to the Notes Collateral Release Date (as defined under “Description of Notes—Notes Proceeds Account”), the notes will be secured by a first priority lien on all amounts at any time on deposit in or credited to the Notes Proceeds Account, and will be effectively senior in right of payment to the Issuers’ existing and future obligations, including borrowings under the Senior Secured Credit Facilities, to the extent of the amount (if any) then on deposit in or credited to such Notes Proceeds Account. The indenture governing the notes will permit us to incur additional secured indebtedness in the future, subject to the limitations described under “Description of Notes—Certain Covenants—Limitations on Liens.” In the event that either of the Issuers or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized, any indebtedness that is effectively senior to the notes and the guarantees will be entitled to be paid in full from the assets of the issuer or guarantor, as applicable, securing such indebtedness before any payment may be made with respect to the notes or the affected guarantees. Holders of the notes will participate ratably with all holders of our unsecured indebtedness that is deemed to be of the same class as the notes, and potentially with all of our other general creditors, based upon the respective amounts owed to each holder or creditor, in our remaining assets. Moreover, while the holders of the notes will have a first priority lien on all amounts at any time on deposit in or credited to the Notes Proceeds Account prior to the Notes Collateral Release Date, the Disbursement Agreement will require that such proceeds be applied to costs related to the Project prior to any disbursement from the disbursement accounts holding proceeds of loans under our Senior Secured Credit Facilities, and there can be no assurance that there will be any cash in such account at the time the Issuers or a guarantor is declared bankrupt, becomes insolvent or is liquidated or reorganized. In addition, the Administrative Agent under the Senior Secured Credit Facilities is permitted to waive the conditions to disbursement under the Disbursement Agreement after the Notes Proceeds Account has been exhausted. As of December 31, 2018, after giving effect to the Financing Transactions, we would have had \$400.0 million in aggregate principal amount of secured debt outstanding under the Term Loan Facility and an additional \$1,200.0 million of unused borrowing capacity available under the Revolving Credit Facility. As described under “Use of Proceeds,” our budget currently contemplates that we will draw approximately \$950.0 million under the Revolving Credit Facility to fund costs related to the Project. Any additional amounts that we borrow under the Senior Secured Credit Facilities, including under the Revolving Credit Facility, any future incremental term loans and future incremental revolving loans, and any letters of credit issued thereunder, will also be secured and, therefore, effectively senior to the notes to the extent of the assets securing such obligations. See “Description of Senior Secured Credit Facilities.”

Initially, each of RWLV’s existing subsidiaries (other than RWLV Capital) that is a guarantor under the Senior Secured Credit Facilities will guarantee the notes. Any additional subsidiaries we may create or acquire in the future will be required to guarantee the notes only under the circumstances described under “Description of Notes—Guarantees.” Accordingly, claims of holders of the notes will be structurally subordinated to the claims of creditors of our non-guarantor subsidiaries, including trade creditors. All obligations of our non-guarantor subsidiaries will have to be satisfied before any of the assets of these subsidiaries would be available for distribution, upon a liquidation or otherwise, to the Issuers or the guarantors. In the event of the liquidation, dissolution, reorganization, bankruptcy or similar proceeding of the business of a subsidiary that is not a guarantor, creditors of that subsidiary would generally have the right to be paid in full before any distribution is made to us or the holders of the notes. In any of these events, we may not have sufficient assets to pay amounts due on the notes with respect to the assets of that subsidiary.

***The limited covenants applicable to the notes may not provide protection against some events or developments that may affect our ability to repay the notes and the trading prices for the notes.***

The indenture governing the notes, among other things, does not:

- require us to maintain any financial ratios or specific levels of net worth, revenues, income, cash flow or liquidity and, accordingly, does not protect holders of the notes in the event that we experience significant adverse changes in our financial condition or results of operations;
- limit our ability to incur indebtedness, including secured indebtedness (subject to compliance with the lien covenant), that is equal in right of payment to the notes;
- limit our subsidiaries' ability to incur indebtedness that would be structurally senior to the notes;
- restrict our ability to repurchase or prepay our securities; or
- restrict our ability to make investments or to repurchase or pay dividends or make other payments in respect of our equity interests or other securities ranking junior to the notes.

See “Description of Notes—Certain Covenants.” For these reasons, you should not consider the lien and sale and lease-back covenants in the indenture as a significant factor in evaluating whether to invest in the notes.

In addition, we are subject to periodic review by independent credit rating agencies. An increase in the level of our outstanding indebtedness or the indebtedness of the Genting Group, or other events that could have an adverse impact on our business, properties, financial condition, results of operations or prospects or those of the Genting Group, may cause the rating agencies to downgrade our debt credit rating generally, and the ratings on the notes, which could adversely impact the trading prices for, and/or the liquidity of, the notes. Any such downgrade could also adversely affect our cost of borrowing, limit our access to the capital markets or result in more restrictive covenants in future debt agreements.

***Foreign judgments, in particular equitable remedies, with respect to the Keepwell Deed, may not be enforced by Malaysian courts in all circumstances.***

Genting Berhad is incorporated in Malaysia. Additionally, the Keepwell Deed will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Keepwell Deed. Each of RWLV, Genting Berhad and the Trustee will submit to the jurisdiction of the courts of England and Wales and Genting Berhad will appoint an agent in the United Kingdom for service of process. As the obligations of Genting Berhad under the Keepwell Deed are not payment obligations, any foreign judgments obtained against Genting Berhad will not fall under the definition of a judgment which is registrable under the provisions of Malaysia's Reciprocal Enforcement of Judgments Act 1958 (the “Reciprocal Enforcement of Judgments Act”), notwithstanding that said foreign judgments may be obtained in the superior courts of reciprocating countries that are listed in the First Schedule of the Reciprocal Enforcement of Judgments Act. A fresh suit would have to be instituted against Genting Berhad in Malaysia.

In addition, Genting Berhad's obligations under the Keepwell Deed may not be enforced by the courts of Malaysia in all circumstances in accordance with their respective terms. In particular, equitable remedies, such as specific performance, are discretionary and where such a remedy is sought, the courts of Malaysia are inclined to award damages if such an award is an adequate remedy.

Furthermore, if any interim relief, such as an injunction, is granted by a court in the United Kingdom, the matter would have to be re-litigated on its merits by way of a fresh application for injunction in Malaysia. See “Description of Keepwell Deed and Funding Agreements.”

***Foreign judgments obtained against GOHL with respect to the Funding Agreements may not be enforced by Isle of Man courts in all circumstances.***

GOHL is an Isle of Man company. Additionally, the Funding Agreements will be governed by and construed in accordance with the laws of the State of New York. New York state courts and Federal courts sitting in the State of New York will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Funding Agreements. Each of GOHL and the other parties thereto will submit to the jurisdiction of such courts, and GOHL will appoint an agent in the United States for service of process. As a general rule, foreign judgments, including judgments obtained in courts outside the Isle of Man predicated upon civil liabilities cannot be directly enforced in the Isle of Man, although an exception to this rule occurs where the Judgments (Reciprocal Enforcement) (Isle of Man) Act 1968 as amended (the “1968 Act”) applies. The 1968 Act provides for the registration and enforcement in the Isle of Man of judgments given in the superior courts of countries which accord reciprocal treatment to judgments given in the Isle of Man. Under Isle of Man common law, a foreign judgment *in personam* given by the court of a foreign country (such as the United States) not covered by the 1968 Act with jurisdiction to give that judgment may be recognized and enforced in the Isle of Man courts by an action for the amount due under it; *provided* that the judgment: (i) is for a debt or definite sum of money (not being a sum payable in respect of taxes or other charges of a like nature or in respect of a fine or other penalty); (ii) is final and conclusive; (iii) was not obtained by fraud; (iv) is not one whose enforcement would be contrary to public policy in the Isle of Man; and (v) was not obtained in proceedings which were opposed to natural justice in the Isle of Man. Where registration of a foreign judgment under the 1968 Act is not available, and the foreign judgment is not otherwise enforceable by an action based on the foreign judgment, it will be necessary for a holder of a foreign judgment to commence fresh proceedings in the Isle of Man, which proceedings might involve, among other things, a re-examination of the merits of the case. As a result, foreign judgments obtained against GOHL with respect to the Funding Agreements may not be enforced by Isle of Man courts in all circumstances.

***Our credit ratings, and those of Genting Berhad and GOHL who will be party to the Keepwell Deed and the Funding Agreements, may not reflect all risks of your investment in the notes.***

The credit ratings assigned to the notes are limited in scope, and do not address all material risks relating to an investment in the notes, but rather reflect only the view of each rating agency at the time the rating is issued. An explanation of the significance of such rating may be obtained from such rating agency.

There can be no assurance that the credit ratings assigned to the notes, or those of Genting Berhad and GOHL who will be party to the Keepwell Deed and the Funding Agreements, respectively, will remain in effect for any given period of time or that a rating will not be lowered, suspended or withdrawn entirely by the applicable rating agencies, if, in such rating agency’s judgment, circumstances so warrant. Agency credit ratings are not a recommendation to buy, sell or hold any security. Each agency’s rating should be evaluated independently of any other agency’s rating. Actual or anticipated changes or downgrades in credit ratings, including any announcement that ratings are under further review for a downgrade, could affect the market value of the notes and increase our future borrowing costs.

***Our substantial debt obligations could adversely affect our financial condition and prevent us from fulfilling our obligations under the notes.***

Upon the completion of this offering, we will have a substantial amount of debt, which will require significant interest and principal payments. As of December 31, 2018, after giving effect to the Financing Transactions, we would have had \$400.0 million in aggregate principal amount of secured debt outstanding under the Term Loan Facility and an additional \$1,200.0 million of unused borrowing

capacity available under the Revolving Credit Facility. Our pro forma cash interest expense for the year ended December 31, 2018 (assuming (a) \$1.0 billion in aggregate principal amount of the notes were issued on January 1, 2018, (b) \$400.0 million was borrowed under the Term Loan Facility on January 1, 2018 and (c) no borrowings were outstanding under the Revolving Credit Facility throughout such year) would have been approximately \$63.5 million. Additionally, as described under “Use of Proceeds,” our budget currently contemplates that we will draw approximately \$950.0 million under the Revolving Credit Facility to fund costs related to the Project. Our high level of debt could have important consequences to the holders of the notes by, among other things:

- making it more difficult for us to satisfy our obligations with respect to the notes;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments, which will reduce the available cash flow to fund working capital, capital expenditures, expansion projects and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors;
- increasing our cost of borrowing; and
- limiting our ability to borrow additional funds.

Additionally, before the Resort commences operations, which is expected to occur during the fourth quarter of 2020, we will have no material operations or earnings. Consequently, we will be dependent on the proceeds of this offering, the Closing Date Equity Contribution, borrowings under the Senior Secured Credit Facilities and, to the extent not otherwise paid, on or prior to the second anniversary of the Opening Date, the Debt Service Funding Agreements, to meet all of our debt service obligations. We cannot guarantee that GOHL will have sufficient resources available to fund any of its obligations under the Notes Debt Service Funding Agreement, pursuant to which GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee’s administrative fees that become due and payable under the notes and the indenture during the Funding Period, or any of its obligations under any other Debt Service Funding Agreement. Furthermore, such agreement is not a guarantee by GOHL for the payment obligation of the Issuers or the guarantors under the notes or the guarantees. Accordingly, GOHL will only be obligated to comply with the contractual provisions of the Notes Debt Service Funding Agreement, and will not have any payment obligation with respect to principal or any other amounts due under the notes, whether at maturity, upon redemption, by acceleration or otherwise, as in the case of a guarantee. In addition, GOHL is not obligated to make payment under the Notes Debt Service Funding Agreement until 10 business days following notice of nonpayment of the applicable amounts owed under the indenture.

***To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations.***

Until the Resort commences operations, we will be dependent on the proceeds of this offering, the Closing Date Equity Contribution, borrowings under the Senior Secured Credit Facilities and, on or prior to the second anniversary of the Opening Date, the Debt Service Funding Agreements, to meet all of our debt service obligations. Our ability to make payments on and to refinance our indebtedness, including the notes, and fund our working capital needs once the Resort commences operations will depend on our ability to generate sufficient cash flow from operations. We cannot assure you that we will begin operations by our anticipated opening date or at all, or that we will be able to generate

sufficient cash flow to meet our expenses, including our debt service requirements. Our ability to generate cash flow is subject, to a considerable extent, to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control including, without limitation, those discussed elsewhere in the “Risk Factors” section of this offering circular and under the heading “Cautionary Note Regarding Forward-Looking Statements.”

If our business does not generate sufficient cash flow from operations or if future borrowings are not available to us in an amount sufficient to enable us to pay our indebtedness or to fund our other liquidity needs, we may need to refinance all or a portion of our indebtedness, including the notes, on or before the maturity date, sell assets, reduce or delay capital investments or seek to raise additional capital, any of which could have a material adverse effect on our operations. In addition, we may not be able to effect any of these actions, if necessary, on commercially reasonable terms or at all. Our ability to sell assets or restructure or refinance our indebtedness, including the notes, will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of any of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the indenture governing the notes, may limit or prevent us from taking any of these actions. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of the notes.

Additionally, if we fail to meet our payment obligations or otherwise default under the indenture, the Credit Agreement or the agreements governing any indebtedness we may incur in the future, the holders of the notes and the applicable lenders will have the right to accelerate the notes and/or such indebtedness and exercise other rights and remedies against us. See “Description of Notes—Events of Default” and “Description of Senior Secured Credit Facilities.” These rights and remedies may include, but are not limited to, the rights to:

- in the case of our secured creditors, repossess and foreclose upon the assets that serve as collateral for such indebtedness and/or initiate judicial foreclosure against us;
- petition a court to appoint a receiver for us or for substantially all of our assets; and
- if we are insolvent, to initiate involuntary bankruptcy proceedings against us, in each case, subject to the procedural restraints and limitations applicable to secured creditors generally and those imposed by applicable gaming laws, rules and regulations.

In addition, although RWLV will enter into the Keepwell Deed with Genting Berhad and the Funding Agreements with GOHL in connection with this offering, such agreements are not guarantees by those entities with respect to our obligations under the notes. See “Description of Keepwell Deed and Funding Agreements.”

***GOHL is a holding company and will depend on payments from Genting Singapore to provide it with funds to make any payments required under the Funding Agreements.***

GOHL is a holding company, substantially all of the assets of which consist of its equity in Genting Singapore, a majority-owned subsidiary of Genting Berhad. Genting Singapore owns and operates Resorts World Sentosa, and GOHL will therefore depend upon the receipt of dividends from Genting Singapore to make payments with respect to its obligations under the Funding Agreements. The ability of Genting Singapore to pay dividends to its shareholders (including GOHL) is subject to applicable

law and certain restrictions contained in its debt instruments and certain other agreements. In addition, as discussed under “—General Risks Relating to Our Business,” Resorts World Sentosa’s business, financial condition, results of operations and cash flows are subject to many of the same risks as ours.

***RWLV will be a holding company and will depend on distributions from its subsidiaries to pay its obligations under the notes after the Funding Period.***

RWLV will be a holding company with limited business operations of its own. RWLV’s main asset will be the capital stock of its subsidiaries, through which it is expected to conduct most of its business operations. Accordingly, its primary sources of cash will be dividends and distributions with respect to its ownership interests in its subsidiaries that are derived from the earnings and cash flow generated by its operating properties. RWLV’s subsidiaries might not generate sufficient earnings and cash flow to pay dividends or distributions in the future.

RWLV’s subsidiaries’ payments will be contingent upon such subsidiaries’ earnings and cash flow and upon other business considerations. In addition, any debt instruments we may enter into in the future may restrict our subsidiaries’ ability to pay dividends or other distributions. An inability of our subsidiaries to pay dividends and distributions to RWLV would have a significant negative effect on its liquidity and materially impair its ability to satisfy its obligations under the notes.

In addition, while GOHL will agree, pursuant to the Debt Service Funding Agreements, to pay or cause to be paid all accrued and unpaid interest and Trustee’s administrative fees that become due and payable under the notes and the indenture during the Funding Period, GOHL will not have any obligation with respect to principal or other amounts due on the notes and we cannot guarantee that GOHL will have sufficient resources available to fund any obligations under such agreement. Furthermore, none of Genting Berhad or any other members of the Genting Group (other than the Issuers and the guarantors) will be required to contribute payments of principal or interest, or any other amounts required to be paid on the notes, even if they have unrestricted funds available for such purpose. Generally, the ability of these entities to contribute to payments on the notes will be restricted by applicable law or by the terms of their financing or other agreements, or those of the subsidiaries on which they rely for distributions.

***Federal and state statutes allow courts, under specific circumstances, to avoid the notes and the guarantees and to require holders of the notes to return payments received from us or the guarantors.***

Our creditors or the creditors of the guarantors could challenge the issuance of the notes or the guarantors’ issuance of their guarantees, respectively, as fraudulent conveyances or on other grounds. Under U.S. federal bankruptcy law and similar provisions of state fraudulent transfer laws, the issuance of the notes and the delivery of the guarantees could be avoided (that is, cancelled) as fraudulent transfers, or claims in respect of the notes or guarantees could be subordinated to all of the issuers’ other debts or all of the other debts of the applicable guarantor, if a court determined that the applicable issuer or guarantor, at the time it issued or guaranteed the notes, as the case may be (or, in some jurisdictions, when payment became due under the guarantee):

- issued the notes or guarantees, as the case may be, with the intent to hinder, delay or defraud its existing or future creditors; or
- received less than reasonably equivalent value or did not receive fair consideration for the delivery of the notes or guarantees, as the case may be, and if the applicable issuer or guarantor:
  - was insolvent or rendered insolvent at the time it issued the notes or the guarantee, as the case may be;
  - was engaged in a business or transaction for which such issuer’s or guarantor’s remaining assets constituted unreasonably small capital; or



- intended to incur, or believed that it would incur, debts beyond its ability to pay such debts generally as they mature.

A court likely would find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee unless it benefited directly or indirectly from the notes issuance. If the notes or the guarantees were avoided or limited under fraudulent transfer or other laws, any claim you may make against us or the guarantors for amounts payable on the notes would be unenforceable to the extent of such avoidance or limitation.

The measures of insolvency for purposes of these fraudulent transfer laws will vary depending upon the law applied in any proceeding to determine whether a fraudulent transfer has occurred. Generally, however, a party would be considered insolvent if:

- the sum of its debts, including contingent liabilities, was greater than the sum of its property, at a fair valuation;
- if the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or
- it could not pay its debts as they become due.

We cannot be sure what standard a bankruptcy court would apply in making these determinations or, regardless of the standard, that a bankruptcy court would not avoid the notes or the guarantees.

*The value of the collateral securing the notes may not be sufficient to satisfy our obligations under the notes.*

All of the net proceeds from this offering will be deposited into the Notes Proceeds Account and will be used to pay (or to reimburse expenditures for) our remaining Project Costs and for certain fees. Prior to the Notes Collateral Release Date (as defined under “Description of Notes—Notes Proceeds Account”), the notes will be secured by a first priority lien on all amounts at any time on deposit in or credited to the Notes Proceeds Account (collectively, the “Notes Proceeds Collateral”) and will be effectively senior in right of payment to the Issuers’ existing and future obligations, including borrowings under the Senior Secured Credit Facilities, to the extent of the amount (if any) then on deposit in or credited to such Notes Proceeds Account. There are various circumstances other than repayment or discharge of the notes under which all or a portion of the Notes Proceeds Collateral could be released automatically without the consent of the holders of the notes, including (among others), to pay for our remaining Project Costs on the date that is 30 days after the Completion Date. See “Description of Disbursement Agreement.” In addition, upon the exhaustion of funds in the Notes Proceeds Account pursuant to the terms of the Disbursement Agreement, there will no longer be any collateral securing the notes. Accordingly, there may not be sufficient Notes Proceeds Collateral to pay all or any of the amounts due on the notes. After the initial disbursement from the Notes Proceeds Account, the Notes Proceeds Collateral will be significantly reduced. Furthermore, the Notes Proceeds Collateral consists solely of the Notes Proceeds Account and all amounts at any time on deposit in or credited to the Notes Proceeds Account and does not include any other assets (including assets that are purchased, built or developed using the funds from the Notes Proceeds Account). Any deficiency claim for the difference between the amount, if any, realized by holders of the notes from the sale of the Notes Proceeds Collateral will rank equally in right of payment with any claim of all of our other senior unsecured, unsubordinated indebtedness, including trade payables, against our remaining assets.

Furthermore, in the event that an insolvency or liquidation proceeding is commenced by or against us, the value of the Notes Proceeds Collateral could be less than the amount of principal and accrued and unpaid interest on the notes and interest would cease to accrue on the notes from the date the bankruptcy petition is filed. In addition, the holders of the notes would not be entitled to “adequate protection” under federal bankruptcy laws with respect to any such undersecured, deficiency portion of

the notes or to post-petition incurred fees and expenses. See “—Rights of holders of notes in the collateral may be adversely affected by bankruptcy proceedings and the ability of the holders of the notes to realize upon the collateral will be subject to certain bankruptcy law limitations.”

***Rights of holders of notes in the collateral may be adversely affected by bankruptcy proceedings and the ability of the holders of the notes to realize upon the collateral will be subject to certain bankruptcy law limitations.***

The right of the security trustee for the notes to repossess and dispose of the collateral securing the notes upon the occurrence of an event of default would be significantly impaired (or at a minimum delayed) by federal bankruptcy laws if bankruptcy proceedings are commenced by or against us prior to or possibly even after the security trustee has repossessed and disposed of the collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as the security trustee for the notes, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security previously repossessed from a debtor or any other collateral, without prior bankruptcy court approval (which may not be given or could be delayed under the particular circumstances). Moreover, federal bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents, or profits of the collateral, even though the debtor is in default under the applicable debt instruments, *provided* that the secured creditor is given “adequate protection.” The meaning of the term “adequate protection” may vary according to circumstances, but it is intended in general to protect the value of the secured creditor’s interest in the collateral and may include cash payments or the granting of additional or replacement security, if and at such time as the bankruptcy court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. A bankruptcy court may determine that a secured creditor may not require compensation for diminution in the value of its collateral if the value of the collateral exceeds the debt it secures. In view of the broad discretionary powers of a bankruptcy court, as well as due to the lack of a precise definition of the term “adequate protection,” it is impossible to predict whether or when payments under the notes could be made following the commencement of a bankruptcy case (or the length of the delay in making any such payments), whether or when the security trustee could repossess or dispose of the collateral, the value of the collateral at the time of the bankruptcy petition or thereafter or whether or to what extent holders of the notes would be compensated for any delay in payment or loss of value of the collateral through the requirements of “adequate protection” or otherwise. After such a filing, the value of the collateral securing the notes could materially deteriorate and the holders of the notes may be unable to raise various objections or take other actions, and it is also possible that the debtor could argue that it should be permitted to use Notes Proceeds Collateral in exchange for adequate protection in the form of a replacement lien on other, less-liquid collateral.

Furthermore, in the event the bankruptcy court determines that the value of the collateral is not sufficient to repay all amounts due on the notes, the holders of the notes would have “undersecured claims” as to the difference or “deficiency” between such value and any amounts due on the notes. Federal bankruptcy laws do not permit the payment or accrual of post-petition interest, costs, and expenses, including attorneys’ fees, for “undersecured claims” during the debtor’s bankruptcy case. Other consequences of a finding of under-collateralization would include, among other things, a lack of entitlement to receive “adequate protection” under federal bankruptcy laws with respect to the unsecured, deficiency portion of the notes. In addition, if any payments of post-petition interest had been made prior to or at the time of such a finding of under-collateralization, those payments could be recharacterized by the bankruptcy court as a reduction of the principal amount of the notes.

***Bankruptcy may limit your ability to collect on the notes.***

If a bankruptcy case were to be commenced by or against us prior to the repayment of the notes, your ability to receive repayment of the notes is likely to be significantly impaired by applicable

bankruptcy law. Under the U.S. Bankruptcy Code, the commencement of a bankruptcy case acts as an “automatic stay” of virtually all actions by creditors to collect pre-bankruptcy debts. Factors that may bear on the recovery by the holders of the notes in these circumstances, among others, would include: (i) a debtor in a bankruptcy case does not have the ability to compel performance of a “financial accommodation”; (ii) creditors with secured claims and claims providing a priority of payment under the U.S. Bankruptcy Code would have a higher priority of payment than the notes; (iii) the holders of other unsecured debt will be entitled to share ratably with the holders of the notes in any proceeds distributed in an insolvency, liquidation, reorganization, dissolution or other winding up; and (iv) the cost and delay of a bankruptcy case could reduce our value. Moreover, in a bankruptcy proceeding, the bankruptcy court would have broad discretion to approve transactions that could disadvantage the holders of the notes. For example, under certain circumstances, a bankruptcy court could approve a motion for the sale of our assets over the objections of holders of the notes or approve the modification of the terms of the notes under a confirmed plan of reorganization. Therefore, in the event of our bankruptcy, it is impossible to predict how long payments under the notes would be delayed, whether there would be sufficient funds to pay the notes in full, or whether the terms and conditions of the notes or any rights of the holders of the notes could be altered in a bankruptcy case without the Trustee’s or your consent.

***We may not be able to fulfill our repurchase obligations with respect to the notes upon a change of control triggering event.***

If we experience certain specific change of control triggering events, we will be required to offer to repurchase all outstanding notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but not including, the date of repurchase. Moreover, under the indenture governing the notes, certain important corporate events, such as leveraged recapitalizations that would increase the level of our indebtedness, would not constitute a “change of control” and thus would not give rise to any repurchase rights. See “Description of Notes—Change of Control Offer.”

In addition, the Senior Secured Credit Facilities contain, and any future credit agreement that we may enter into will likely also contain, restrictions or prohibitions on our ability to repurchase the notes under certain circumstances. If a change of control triggering event or similar events occur at a time when we are prohibited from repurchasing the notes, we may need to seek the consent of our lenders to purchase the notes or could attempt to refinance the obligations that contain these prohibitions or restrictions. If we do not obtain our lenders’ consent or refinance these obligations, we will not be able to repurchase the notes. Accordingly, the holders of the notes may not receive the change of control purchase price for their notes in the event of a sale or other change of control triggering event, which will give the Trustee and the holders of the notes the right to declare an event of default and accelerate the repayment of the notes. See “Description of Notes—Events of Default.”

***We do not intend to offer to register the notes or to exchange the notes in a registered exchange offer.***

The notes have not been registered under the Securities Act or any state securities laws and, unless so registered, may not be re-offered or re-sold except pursuant to an exemption from the registration requirements of the Securities Act and applicable state securities laws. We do not intend to register the notes under the Securities Act or to offer to exchange the notes in an exchange offer registered under the Securities Act. As a result, for so long as the notes remain outstanding, they may be transferred or re-sold only in transactions exempt from the securities registration requirements of federal and applicable state laws. In addition, we will not be subject to the reporting requirements of the Securities Exchange Act of 1934, as amended, (the “Exchange Act”), and holders of the notes will only be entitled to receive the information about us specified in “Description of Notes—Certain Covenants—Reports,” including the information required by Rule 144A(d)(4).

***A trading market for the notes may not develop, and there are restrictions on resales of the notes.***

Although application has been made for the listing and quotation of the notes on the Official List of the SGX-ST, we cannot assure you that we will obtain or be able to maintain a listing and quotation of the notes on the SGX-ST, or that, if listed, a liquid trading market will develop. We have been advised that the initial purchasers intend to make, or to continue to make, a market in the notes, but the initial purchasers are not obligated to do so and may discontinue such market making activity at any time without notice. In addition, the notes are being offered pursuant to exemptions from registration under the Securities Act and, as a result, you will only be able to resell your notes in transactions that have been registered under the Securities Act or in transactions not subject to or exempt from registration under the Securities Act. See “Notice to Investors.” We cannot predict whether an active trading market for the notes will develop or be sustained. In addition, the securities of gaming companies have historically been more volatile than securities of other companies. The market for the notes, if any should develop, may be subject to such volatility, which could have an adverse effect on the price and liquidity of the notes.

***We are not providing all of the information that would be required if this offering were being registered with the SEC.***

This offering circular does not include all of the information that would be required if we were registering this offering of the notes with the SEC. Among other things, this offering circular does not comply with SEC requirements for registered offerings regarding the presentation of financial statements and does not include certain executive compensation and corporate governance disclosures. This lack of information could impair your ability to evaluate your investment in the notes. We cannot assure you that our historical financial information as set forth in this offering circular will be indicative of our future financial performance or our ability to meet our obligations, including repayment of the notes.

***As a holder of the notes, you may be required to comply with registration, licensing, qualification or other requirements under gaming laws or dispose of your securities.***

The Nevada Gaming Authorities may require that a holder of the notes be registered, licensed, qualified or found suitable, or comply with other requirements under applicable gaming laws. If you purchase, acquire or otherwise accept an interest in the notes, by the terms of the indenture governing the notes, you will agree to comply with all of these requirements, including your agreement to register or apply for a license, qualification or finding of suitability, or comply with any other requirement, within 30 days after being requested to do so (or such shorter period as required by the relevant gaming authority). If you fail to apply within the required time period, or fail to become registered, licensed or qualified, or are found unsuitable or fail to comply with any other requirement of a gaming authority, then we will have the right, at our option, to:

- require you to sell your notes or beneficial interest in the notes within 30 days after you receive notice of our election, or any earlier date that the relevant gaming authority may request or prescribe; or
- redeem your notes (possibly within fewer than 15 days following the notice of redemption) at a price equal to:
  - the price required by applicable law or by order of any gaming authority; or
  - if no price is required by applicable law or by the order of any relevant gaming authority, the lesser of (1) the principal amount of the notes, and (2) the price that you or the beneficial owner paid for the notes, as applicable, in either case, together with accrued and unpaid interest on the notes, as applicable.

We will not be responsible for any costs or expenses you may incur in connection with your registration, application for a license, qualification or finding of suitability, or your compliance with any other requirement of a gaming authority. The indenture governing the notes also provides that, in the event any gaming authority determines that you will not be licensed, qualified or found suitable, you will not have any further rights with respect to the notes:

- to exercise, directly or indirectly, any right conferred by the notes; or
- to receive from us any interest or any other distributions or payments, or any remuneration in any form, relating to the notes, except the redemption price we refer to above.

See “Description of Notes—Optional Redemption—Gaming Redemption.”

***The market data we have relied upon may be inaccurate or incomplete and is subject to change.***

We have based the market data provided in this offering circular with respect to the Las Vegas gaming and entertainment market and trade show and convention center statistics, on market research, publicly available information and industry publications and subscriptions. However, we have not independently verified any such information, and it is possible that the market data that we have relied upon may not be accurate in all material respects. Accordingly, you should not place undue reliance on such data when making your investment decision. The gaming and hospitality market in Las Vegas is subject to continual change, including changes in the number of facilities expanding, closing and opening and changes in the size of such facilities. For these and other reasons discussed in this offering circular, our estimates of the Resort’s current and future market position and performance could prove to be materially inaccurate.

## USE OF PROCEEDS

We intend to use the net proceeds from this offering, together with the proceeds from the Closing Date Equity Contribution, borrowings under our Senior Secured Credit Facilities and the other sources of funds described in the table and footnotes below to fund our remaining Project Costs, pay transaction fees and expenses associated with this offering and the Senior Secured Credit Facilities, and for working capital and other general corporate purposes.

The closing of this offering and issuance of the notes offered hereby is conditioned on the prior or concurrent:

- receipt by RWLV of the Closing Date Equity Contribution; and
- closing of the Senior Secured Credit Facilities and borrowing of \$400.0 million under the Term Loan Facility.

The net proceeds of this offering will be deposited into the Notes Proceeds Account pending disbursement. Prior to the Notes Collateral Release Date, the notes will be secured by a first priority lien on all amounts at any time on deposit in or credited to the Notes Proceeds Account, and will be effectively senior in right of payment to the Issuers' existing and future obligations, including borrowings under the Senior Secured Credit Facilities, to the extent of the amount (if any) then on deposit in or credited to such Notes Proceeds Account. Pending the use of the net proceeds as described herein, the funds in the Notes Proceeds Account will be invested, at our discretion, only in cash and other permitted investments. The Disbursement Agreement will require that Project Costs be funded first from the Borrower Funds Account, until exhausted, before we are permitted to pay our remaining Project Costs from the net proceeds of this offering. The Disbursement Agreement will also require us to exhaust the Notes Proceeds Account before using funds in the Loan Proceeds Account to pay our remaining Project Costs. See "Description of Disbursement Agreement."

The following table sets forth the estimated sources and uses of funds for the Project. For purposes of calculating total construction costs, this table also includes certain final construction cost payments that may be made after the opening of the Resort.

The estimates below are based on current expectations and may differ in the event of unanticipated complications during the construction process.

<u>Sources of Funds</u>	<u>\$ Amount</u> (in millions)	<u>Uses of Funds</u>	<u>\$ Amount</u> (in millions)
Revolving Credit Facility <sup>(1)</sup> . . . . .	\$ 950.0	Construction hard costs <sup>(6)</sup> . . . . .	\$2,788.0
Term Loan Facility <sup>(1)</sup> . . . . .	400.0	Land, building acquisition cost and property taxes <sup>(7)</sup> . . . . .	416.2
Notes offered hereby . . . . .	<u>1,000.0</u>	Furniture and equipment <sup>(8)</sup> . . . . .	322.7
Total funded project debt . . . . .	\$2,350.0	Construction soft costs <sup>(9)</sup> . . . . .	292.0
Genting Berhad Equity Contributions <sup>(2)</sup> . . . . .	\$1,750.0	Total contingency <sup>(10)</sup> . . . . .	200.0
Hotel Key Money <sup>(3)</sup> . . . . .	<u>75.0</u>	Pre-opening expenses and working capital <sup>(11)</sup> . . . . .	<u>156.1</u>
Total project costs . . . . .	\$4,175.0	Total project costs . . . . .	\$4,175.0
Debt Service Funding Agreements payments <sup>(4)</sup> . . . . .	\$ 136.2	Debt service during construction <sup>(12)</sup> . . .	\$ 117.0
Interest income <sup>(5)</sup> . . . . .	<u>23.4</u>	Fees and expenses <sup>(13)</sup> . . . . .	<u>42.6</u>
Total debt service and transaction fees . . . . .	\$ 159.6	Total debt service and transaction fees . . . . .	\$ 159.6
Total sources of funds . . . . .	<u>\$4,334.6</u>	Total uses of funds . . . . .	<u>\$4,334.6</u>

(1) In connection with the consummation of this offering, we will enter into the Credit Agreement, which will provide for the Revolving Credit Facility and the Term Loan Facility. See “Description of Senior Secured Credit Facilities.” The closing of the Senior Secured Credit Facilities and the borrowing of \$400.0 million under the Term Loan Facility is a condition to the closing of this offering. Additionally, our budget currently contemplates that we will draw approximately \$950.0 million of the \$1,200.0 million committed amount under the Revolving Credit Facility to fund costs related to the Project. However, our ability to borrow amounts under the Revolving Credit Facility will be subject to certain conditions precedent under the Credit Agreement. Additionally, pursuant to the Disbursement Agreement, from and after the first disbursement of funds from the Notes Proceeds Account, our use of the funds in our project accounts for the Project’s construction and other costs will be subject to the satisfaction of certain significant conditions. We cannot assure you that these conditions will be satisfied when we need to make drawdowns to pay our construction costs. See “Risk Factors—Risks Relating to Construction of the Project—Our ability to access the various financing components for the Project is subject to certain conditions, not all of which may be satisfied.”

(2) Consists of proceeds from the Prior Equity Contributions and the Closing Date Equity Contribution. The Prior Equity Contributions consist of (i) \$1,053.3 million in Project Costs paid on our behalf by Genting Assets as of December 31, 2018 and recorded on our balance sheet as an intercompany liability, which liability was converted into an indirect limited liability company member interest in us in connection with the Genting Loan Exchange, (ii) approximately \$178.9 million in additional Project Costs paid on our behalf by Genting Assets in 2019, through the date of this offering circular, in exchange for additional indirect limited liability company member interests, and (iii) \$1.7 million in additional Project Costs to be paid on our behalf by Genting Assets after the date of this offering circular and prior to the closing of this offering in exchange for additional limited liability company member interests. All Project Costs paid by Genting Assets were funded with cash contributed for such purpose by Genting Berhad and certain of its subsidiaries. See “Offering Circular Summary—Financing Transactions.” The Closing Date Equity Contribution consists of the indirect cash equity contribution we expect to receive from Genting Berhad, through certain of its subsidiaries, in connection with the consummation of this offering, the proceeds of which will be deposited in the Borrower Funds Account. See “Offering Circular Summary—

Financing Transactions.” Our receipt of the Closing Date Equity Contribution is a condition to the closing of this offering.

- (3) Estimated; consists of the anticipated amount of cash we expect to receive at the opening of the hotel from one or more Flag Hotels subject to the successful execution of one or more hotel management or franchise agreements on our hotel towers. In the event we do not enter into a hotel management or franchise agreement on our hotel towers for the full anticipated amount, we expect GOHL to fund the shortfall within the grace period provided for in and pursuant to the Key Money Funding Agreement, subject to the terms and conditions set forth therein.
- (4) Estimated; consists of the anticipated amount of cash we expect to receive from GOHL under the Debt Service Funding Agreements to cover certain upfront fees and transaction expenses under footnote (13), interest payments on the notes and the Senior Secured Credit Facilities, commitment fees on unfunded revolver commitments under the Revolving Credit Facility, the Trustee’s administrative fees under the indenture governing the notes, the fees of the Administrative Agent and certain other fees under the Senior Secured Credit Facilities through the scheduled Opening Date. See “Description of Senior Secured Credit Facilities.”
- (5) Estimated; consists of the anticipated amounts of interest income we expect to receive on balances in certain accounts established under the Disbursement Agreement through the scheduled Opening Date.
- (6) Consists of (i) \$2,745.5 million of construction hard costs included in the guaranteed maximum price construction contract and (ii) an additional \$42.5 million of construction hard costs not included in the guaranteed maximum price construction contract, spent prior to November 2017. These construction hard costs do not include contingency amounts, which are accounted for separately in the budget, as described in footnote (10). See “Risk Factors—Risks Relating to Construction of the Project.”
- (7) The acquisition price for the Project site, including approximately 87 acres of land, the partially built hotel towers, podium, convention center, theater, parking garages and central utility plant as part of the abandoned Echelon project on which the Project will be built, was \$350.6 million.
- (8) Estimated; consists of costs for gaming equipment, information technology equipment, software and support, furniture and interior fixtures and other equipment.
- (9) Estimated; consists of professional fees related to the design and development of the Project (including for the architect and other consultants), insurance during construction, various corporate expenses and certain permitting costs.
- (10) Consists of (i) a \$150.0 million contingency to cover unexpected costs or costs which are greater than anticipated, which may be used by us at our discretion, subject to the terms of the Disbursement Agreement, and (ii) a \$50.0 million contingency included in our guaranteed maximum price construction contract. Total contingency does not include the obligations of GOHL under the Change Order Funding Agreement or the \$250.0 million of commitments under the Revolving Credit Facility in excess of the amount we expect to borrow to fund Project Costs.
- (11) Estimated; consists of pre-opening expenses including labor, marketing and operating costs and the cost of inventory and supplies necessary for the opening of the Resort, and cash required on premises to open and operate the facilities.
- (12) Estimated; consists of the anticipated amount of interest payments on the notes and the Senior Secured Credit Facilities, commitment fees on unfunded revolver commitments under the Revolving Credit Facility, the Trustee’s administrative fees under the indenture governing the notes, the fees of the Administrative Agent and other fees under the Senior Secured Credit Facilities through the scheduled Opening Date. See “Description of Senior Secured Credit Facilities.”
- (13) Consists of initial purchasers’ discounts, upfront fees and transaction expenses related to the issuance of the notes and the Senior Secured Credit Facilities. See “Description of Senior Secured Credit Facilities.”



## EXCHANGE RATES

Solely for the convenience of the reader, this offering circular contains translations of certain Ringgit Malaysia and Singapore dollar amounts into U.S. dollars and vice versa at the exchange rate of RM4.1385 per US\$1.00, which was the middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, at noon on December 31, 2018, and at the exchange rate of S\$1.3648 per US\$1.00, which was the published rate of exchange of the Singapore dollar against the U.S. dollar as published by the Monetary Authority of Singapore, the Central Bank of Singapore, as at noon on December 31, 2018.

### Malaysia

The following table shows the exchange rate of Ringgit Malaysia to U.S. dollars based on the middle exchange rates as at noon on each day during the periods indicated. The Ringgit Malaysia middle exchange rate is calculated based on buying and selling rates of Bank Negara Malaysia, the Central Bank of Malaysia. No representation is made that the Ringgit Malaysia or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollar or Ringgit Malaysia, as the case may be, at the rate indicated or any other particular rate, or at all. Under current exchange control rules in Malaysia, the conversion of funds from Ringgit Malaysia to U.S. dollars may require the approval of Bank Negara Malaysia, the Central Bank of Malaysia. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

The exchange rate of the Ringgit Malaysia to U.S. dollars as of March 15, 2019 was RM4.0905 per US\$1.00.

<b>Year<sup>(1)</sup></b>	<b>At period end</b>	<b>Average<sup>(2)</sup></b>	<b>High</b>	<b>Low</b>
		<b>(RM per US\$1.00)</b>		
2016 .....	4.4860	4.1450	4.4860	3.8650
2017 .....	4.0620	4.2812	4.4995	4.0525
2018 .....	4.1385	4.0362	4.1995	3.858
2019 (through March 15, 2019) .....	4.0905	4.0905	4.1425	4.063

(1) The data is sourced from the Interbank Foreign Exchange Market in Kuala Lumpur, published every day (except for Saturday, Sunday and public holidays) by Bank Negara Malaysia, the Central Bank of Malaysia available at: [http://www.bnm.gov.my/index.php?ch=statistic&pg=stats\\_exchangerates](http://www.bnm.gov.my/index.php?ch=statistic&pg=stats_exchangerates).

(2) For full years, the average shown is calculated based upon the exchange rate on the last day of each month during the year indicated. For periods shorter than a full year, the average shown is calculated based on the exchange rate at the close of the period indicated.

### Singapore

The following table shows the exchange rate of Singapore dollars to U.S. dollars based on the noon buying rate for cable transfers in Singapore dollar as certified for customs purposes by the Federal Reserve Bank of New York for the periods indicated. No representation is made that the Singapore dollar or U.S. dollar amounts referred to herein could have been or could be converted into U.S. dollar or Singapore dollars, as the case may be, at the rate indicated or any other particular rate, or at all.

The exchange rate of Singapore dollars to U.S. dollars as of March 15, 2019 was S\$1.3528 per US\$1.00.

<b>Year<sup>(1)</sup></b>	<u>At period end</u>	<u>Average<sup>(2)</sup></u> (S\$ per US\$1.00)	<u>High</u>	<u>Low</u>
2016 .....	1.4465	1.3824	1.4522	1.3366
2017 .....	1.3363	1.3732	1.4498	1.3363
2018 .....	1.3623	1.3490	1.3845	1.3037
2019 (through March 15, 2019) .....	1.3528	1.3528	1.3652	1.3455

(1) This data is sourced from the H.10, published every Tuesday with rates for the prior week by the Federal Reserve Bank of New York for customs purposes, available at: <https://www.federalreserve.gov/releases/H10/current/default.htm>.

(2) For full years, the average shown is calculated based upon the exchange rate on the last day of each month during the year indicated. For periods shorter than a full year, the average shown is calculated based on the exchange rate at the close of the period indicated.

## CAPITALIZATION

The following table sets forth our actual and as adjusted cash and cash equivalents and total capitalization as of December 31, 2018. The information presented in the table below should be read together with “Use of Proceeds,” “Selected Historical Financial and Operating Data,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and the financial statements and the notes thereto included elsewhere in this offering circular. The as adjusted information gives effect to the following transactions as if they had occurred on December 31, 2018:

- the conversion of a \$1,053.3 million intercompany liability in respect of Project Costs paid on our behalf by Genting Assets as of December 31, 2018 into an indirect limited liability company member interest in us pursuant to the Genting Loan Exchange;
- the payment of approximately \$180.6 million of additional Project Costs on our behalf by Genting Assets subsequent to December 31, 2018 through the closing of this offering in exchange for additional indirect limited liability company member interests in us; and
- the consummation of the other Financing Transactions.

	<u>As of December 31, 2018</u>	
	<u>Actual</u>	<u>As Adjusted</u>
	(in millions)	
Cash and cash equivalents . . . . .	\$ 0.7	\$ 0.7
Restricted cash <sup>(1)</sup> . . . . .	<u>\$ 16.6</u>	<u>\$1,890.1</u>
Senior Secured Credit Facilities:		
Term Loan Facility <sup>(2)(3)</sup> . . . . .	\$ —	\$ 400.0
Revolving Credit Facility <sup>(2)</sup> . . . . .	—	—
Other debt:		
Due to Genting Assets <sup>(4)</sup> . . . . .	1,053.3	—
Notes offered hereby <sup>(3)</sup> . . . . .	<u>—</u>	<u>1,000.0</u>
Total debt <sup>(3)</sup> . . . . .	1,053.3	1,400.0
Members’ capital:		
Capital contribution <sup>(4)</sup> . . . . .	—	1,750.0
Accumulated deficit . . . . .	(50.2)	(50.2)
Total members’ capital . . . . .	<u>(50.2)</u>	<u>1,699.8</u>
Total capitalization . . . . .	<u>\$1,003.1</u>	<u>\$3,099.8</u>

<sup>(1)</sup> Consists of cash collateral for the construction bonds, cash held in escrow by Clark County for building permits, and cash supporting a letter of credit issued as security for RWLV’s obligations under its owner controlled insurance program. On an as adjusted basis, also includes amounts we expect to deposit in the Notes Proceeds Account, the Loan Proceeds Account and the Borrower Funds Account upon the consummation of this offering consisting of the principal amount of the notes, the \$400 million borrowings under the Term Loan Facility and the approximately \$516.1 million Closing Date Equity Contribution, reduced by approximately \$42.6 million of initial purchasers’ discounts, upfront fees and transaction expenses related to the issuance of the notes and the Senior Secured Credit Facilities. These funds will be disbursed in accordance with the Disbursement Agreement. See “Description of Disbursement Agreement.”

<sup>(2)</sup> In connection with the consummation of this offering, we will enter into the Credit Agreement, which will provide for the Revolving Credit Facility and the Term Loan Facility. The closing of this offering and issuance of the notes offered hereby is

conditioned on the prior or concurrent closing of the Senior Secured Credit Facilities, the borrowing of \$400.0 million of debt under the Term Loan Facility and the consummation of the Closing Date Equity Contribution. Additionally, our budget currently contemplates that we will draw approximately \$950.0 million of the \$1,200 million committed under the Revolving Credit Facility to fund costs related to the Project after the consummation of this offering. Prior to the Opening Date, borrowings under the Senior Secured Credit Facilities that are intended to be used for the construction of the Project will be deposited into the Loan Proceeds Account and will be available to pay Project Costs only after all funds in the Borrower Funds Account and the Notes Proceeds Account have been exhausted. See “Description of Senior Secured Credit Facilities” and “Description of Disbursement Agreement.”

- (3) Amounts presented for the Term Loan Facility and the notes represent the outstanding principal amount thereof, without reduction for estimated debt issuance costs.
- (4) Project Costs paid on our behalf by Genting Assets prior to December 31, 2018 were recorded on our balance sheet as an intercompany liability, which was converted by Genting Assets into an indirect limited liability company member interest in us in January 2019. See “Certain Relationships and Related Party Transactions—Related Party Transactions Entered Into Prior to this Offering—Prior Equity Contributions.”

## SELECTED HISTORICAL FINANCIAL AND OPERATING DATA

The following tables set forth selected historical financial and operating data for the periods and as of the dates presented for each of RWLV, the Genting Group and GOHL.

### RWLV

The following table sets forth our selected historical financial and operating data for the periods and as of the dates presented. The statement of operations data for the years ended December 31, 2017 and 2018 and the balance sheet data as of December 31, 2017 and 2018 have been derived from our audited financial statements included elsewhere in this offering circular. The statement of operations data for the year ended December 31, 2016 and the balance sheet data for the year ended December 31, 2016 have been derived from our audited financial statements not included in this offering circular. Historical results are not necessarily indicative of the results we expect in future periods.

You should read the information below together with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the financial statements and notes thereto of RWLV included elsewhere in this offering circular.

	Year ended December 31,		
	2016	2017	2018
	(US\$ millions)		
<b>Statement of operations data:</b>			
Interest and other income . . . . .	\$ 0.1	\$ 0.1	\$ 0.1
Pre-opening costs . . . . .	(9.9)	(10.4)	(12.1)
Net loss . . . . .	\$(9.8)	\$(10.3)	\$(12.0)
	As of December 31,		
	2016	2017	2018
	(US\$ millions)		
<b>Balance sheet data:</b>			
Cash and cash equivalents . . . . .	\$ —	\$ 0.2	\$ 0.7
Total assets . . . . .	\$460.2	\$544.9	\$1,079.4
Total liabilities . . . . .	\$488.0	\$583.1	\$1,129.6
Member’s capital . . . . .	\$(27.8)	\$(38.2)	\$ (50.2)

## The Genting Group

The following tables set forth selected historical financial and operating data of the Genting Group for the years ended December 31, 2016, 2017 and 2018. The consolidated income statements data for the years ended December 31, 2016, 2017 and 2018 and the consolidated statements of financial position data as of December 31, 2016, 2017 and 2018 have been derived from the audited consolidated financial statements of the Genting Group included elsewhere in this offering circular. Historical results are not necessarily indicative of the results we expect in future periods.

You should read the information below together with the financial statements and notes thereto of the Genting Group included elsewhere in this offering circular.

### *Consolidated Income Statements Data of the Genting Group for the years ended December 31, 2016, 2017 and 2018*

	Year ended December 31,					
	2016 <sup>(1)</sup>		2017 <sup>(1)</sup>		2018	
	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>
<b>Revenue</b> . . . . .	<b>18,365.8</b>	<b>4,437.8</b>	<b>20,019.6</b>	<b>4,837.4</b>	<b>20,853.0</b>	<b>5,038.8</b>
Cost of sales . . . . .	(12,463.3)	(3,011.6)	(12,741.8)	(3,078.8)	(13,029.9)	(3,148.5)
Gross profit . . . . .	5,902.5	1,426.2	7,277.8	1,758.6	7,823.1	1,890.3
Other income <sup>(3)</sup> . . . . .	3,002.0	725.4	1,770.1	427.7	1,149.9	277.9
Selling and distribution costs . . . . .	(445.0)	(107.5)	(467.4)	(112.9)	(452.5)	(109.3)
Administration expenses . . . . .	(1,499.7)	(362.4)	(1,515.6)	(366.2)	(1,459.4)	(352.7)
Reversal of previously recognized impairment losses . .	195.2	47.2	—	—	3.4	0.8
Impairment losses . . . .	(188.2)	(45.5)	(675.0)	(163.1)	(2,008.5)	(485.3)
Other expenses						
—net fair value loss on derivative financial instruments . . . . .	(93.5)	(22.6)	(42.3)	(10.2)	—	—
—others <sup>(4)</sup> . . . . .	(555.3)	(134.2)	(1,038.2)	(250.9)	(546.0)	(131.9)
Other gains/(losses) <sup>(5)</sup> . .	—	—	—	—	(212.9)	(51.4)
Finance cost . . . . .	(678.8)	(164.0)	(950.1)	(229.6)	(1,013.1)	(244.8)
Share of results in joint ventures . . . . .	(5.3)	(1.3)	38.8	9.4	141.3	34.1
Share of results in associates . . . . .	(111.1)	(26.8)	(85.9)	(20.8)	(6.9)	(1.7)
<b>Profit before taxation</b> . .	<b>5,522.8</b>	<b>1,334.5</b>	<b>4,312.2</b>	<b>1,042.0</b>	<b>3,418.4</b>	<b>826.0</b>
Taxation . . . . .	(991.4)	(239.6)	(1,069.4)	(258.4)	(974.5)	(235.5)
<b>Profit</b> . . . . .	<b>4,531.4</b>	<b>1,094.9</b>	<b>3,242.8</b>	<b>783.6</b>	<b>2,443.9</b>	<b>590.5</b>
Profit attributable to:						
—Equity holders of Genting Berhad . . . .	2,146.5	518.6	1,445.3	349.2	1,365.6	330.0
—Holders of perpetual capital securities of a subsidiary . . . . .	365.8	88.4	256.5	62.0	—	—
—Non-controlling interests . . . . .	2,019.1	487.9	1,541.0	372.4	1,078.3	260.5
	<u>4,531.4</u>	<u>1,094.9</u>	<u>3,242.8</u>	<u>783.6</u>	<u>2,443.9</u>	<u>590.5</u>

<sup>(1)</sup> The financial statements as of and for the year ended December 31, 2016 were not restated to account for the effects of change in accounting policies in 2017. See Note 2 to the Genting Group's audited consolidated financial statements for the year ended December 31, 2017 for the changes in accounting policies. The financial statements as of and for the years ended December 31, 2016 and 2017 also do not reflect the effects of conversion to MFRS in 2018 in accordance with MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" and were not restated for the impact of new accounting standards adopted in 2018. See Note 2 and Note 44 to the Genting Group's audited consolidated financial

statements for the year ended December 31, 2018 for the changes in accounting policies. See also “—Financial Impact of Changes in Accounting Policies” and “Presentation of Financial Statements—Comparability of Financial Information.”

- (2) Calculated for illustrative purposes in this offering circular using a middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018 of RM4.1385 to US\$1.00.
- (3) Other income for the years ended December 31, 2016 and 2017 mainly comprises interest income, gain on disposal of available-for-sale financial assets, foreign currency exchange gains and investment income. For the year ended December 31, 2018, other income mainly comprises interest income and investment income.
- (4) Other expenses for the years ended December 31, 2016 and 2017 mainly comprise foreign currency exchange losses, assets written off and assessment fees. For the year ended December 31, 2018, other expenses mainly comprise assets written off and assessment fees.
- (5) Other gains/(losses) for the year ended December 31, 2018, mainly comprise net foreign currency exchange gain/loss, net fair value gain/loss on financial assets at fair value through profit or loss and net fair value gain/loss on derivative financial instruments. For the years ended December 31, 2016 and 2017, these were presented in “other income” or “other expenses” and had not been reclassified to conform with presentation in 2018.

**Consolidated Statements of Financial Position Data of the Genting Group as of December 31, 2016, 2017 and 2018**

	As of December 31,					
	2016 <sup>(1)</sup>		2017 <sup>(1)</sup>		2018 <sup>(1)</sup>	
	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment . . . . .	32,667.6	7,893.6	36,228.8	8,754.1	38,996.0	9,422.7
Land held for property development . . . . .	378.9	91.6	384.3	92.9	370.7	89.6
Investment properties . . .	2,099.6	507.3	1,965.3	474.9	1,995.2	482.1
Plantation development . .	2,513.6	607.4	—	—	—	—
Leasehold land use rights . .	495.8	119.8	641.0	154.9	664.6	160.6
Intangible assets . . . . .	6,527.4	1,577.2	5,903.8	1,426.5	5,677.1	1,371.8
Rights of use of oil and gas assets . . . . .	4,674.9	1,129.6	3,608.1	871.8	3,544.2	856.4
Joint ventures . . . . .	1,284.8	310.4	1,213.8	293.3	1,667.8	403.0
Associates . . . . .	1,023.3	247.3	720.2	174.0	710.8	171.8
Available-for-sale financial assets . . . . .	2,117.0	511.5	1,957.4	473.0	—	—
Financial assets at fair value through other comprehensive income . . . . .	—	—	—	—	514.3	124.3
Financial assets at fair value through profit or loss . . . . .	—	—	—	—	679.6	164.2
Derivative financial instruments . . . . .	114.1	27.6	4.3	1.0	25.9	6.2
Other non-current assets . .	6,164.2	1,489.5	6,019.8	1,454.6	4,332.6	1,046.9
Deferred tax assets . . . . .	238.9	57.7	201.3	48.6	394.9	95.4
	<u>60,300.1</u>	<u>14,570.5</u>	<u>58,848.1</u>	<u>14,219.6</u>	<u>59,573.7</u>	<u>14,395.0</u>
<b>Current Assets</b>						
Property development costs . . . . .	50.0	12.1	31.2	7.5	44.8	10.8
Inventories . . . . .	583.0	140.9	580.4	140.2	685.3	165.6
Produce growing on bearer plants . . . . .	—	—	—	—	3.8	0.9
Trade and other receivables . . . . .	2,344.9	566.6	2,123.7	513.2	2,205.1	532.8
Current tax assets . . . . .	134.3	32.5	247.7	59.9	228.8	55.3
Amounts due from joint ventures . . . . .	3.8	0.9	4.2	1.0	149.9	36.2
Amounts due from associates . . . . .	7.0	1.7	1.1	0.3	4.4	1.1
Financial assets at fair value through profit or loss . . . . .	10.8	2.6	7.4	1.8	757.8	183.1
Financial assets at fair value through other comprehensive income . . . . .	—	—	—	—	383.2	92.6
Available-for-sale financial assets . . . . .	1,619.7	391.4	868.1	209.8	—	—
Derivative financial instruments . . . . .	7.7	1.9	3.9	0.9	23.0	5.6
Restricted cash . . . . .	565.1	136.5	1,325.1	320.2	1,059.3	256.0
Cash and cash equivalents	25,318.5	6,117.8	29,491.9	7,126.2	30,987.9	7,487.7
	<u>30,644.8</u>	<u>7,404.9</u>	<u>34,684.7</u>	<u>8,381.0</u>	<u>36,533.3</u>	<u>8,827.7</u>
Assets classified as held for sale . . . . .	1,600.9	386.8	75.7	18.3	34.4	8.3
	<u>32,245.7</u>	<u>7,791.7</u>	<u>34,760.4</u>	<u>8,399.3</u>	<u>36,567.7</u>	<u>8,836.0</u>
<b>Total Assets</b> . . . . .	<b><u>92,545.8</u></b>	<b><u>22,362.2</u></b>	<b><u>93,608.5</u></b>	<b><u>22,618.9</u></b>	<b><u>96,141.4</u></b>	<b><u>23,231.0</u></b>



	As of December 31,					
	2016 <sup>(1)</sup>		2017 <sup>(1)</sup>		2018 <sup>(1)</sup>	
	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>
<b>Equity and Liabilities</b>						
<b>Equity Attributable to</b>						
<b>Equity holders of the</b>						
<b>Company</b>						
Share capital . . . . .	375.0	90.6	2,818.7	681.1	3,056.2	738.5
Treasury shares . . . . .	(221.2)	(53.4)	(221.2)	(53.4)	(221.2)	(53.4)
Reserves . . . . .	34,650.2	8,372.6	31,192.2	7,537.0	31,438.7	7,596.6
	<u>34,804.0</u>	<u>8,409.8</u>	<u>33,789.7</u>	<u>8,164.7</u>	<u>34,273.7</u>	<u>8,281.7</u>
Perpetual capital securities of a subsidiary . . . . .	7,144.9	1,726.5	—	—	—	—
Non-controlling interests . .	23,804.4	5,751.9	23,319.2	5,634.7	23,114.5	5,585.2
<b>Total Equity</b> . . . . .	<u>65,753.3</u>	<u>15,888.2</u>	<u>57,108.9</u>	<u>13,799.4</u>	<u>57,388.2</u>	<u>13,866.9</u>
<b>Non-Current Liabilities</b>						
Long term borrowing . . . .	15,745.0	3,804.5	24,950.2	6,028.8	25,163.5	6,080.3
Deferred tax liabilities . . .	2,025.0	489.3	2,205.4	532.9	2,363.6	571.1
Derivative financial instrument . . . . .	232.2	56.1	148.4	35.8	114.3	27.6
Provisions . . . . .	496.1	119.9	512.0	123.7	551.9	133.4
Other non-current liabilities . . . . .	326.3	78.9	352.9	85.3	441.5	106.7
	<u>18,824.6</u>	<u>4,548.7</u>	<u>28,168.9</u>	<u>6,806.5</u>	<u>28,634.8</u>	<u>6,919.1</u>
<b>Current Liabilities</b>						
Trade and other payables . .	5,194.0	1,255.1	5,394.2	1,303.4	5,251.4	1,268.9
Amounts due to joint ventures . . . . .	128.0	30.9	112.4	27.2	53.5	12.9
Short term borrowings . . .	2,219.6	536.3	2,019.1	487.9	4,061.0	981.3
Derivative financial instruments . . . . .	73.4	17.7	46.1	11.1	29.3	7.1
Taxation . . . . .	341.8	82.6	699.7	169.1	709.6	171.5
	<u>7,956.8</u>	<u>1,922.6</u>	<u>8,271.5</u>	<u>1,998.7</u>	<u>10,104.8</u>	<u>2,441.7</u>
Liabilities classified as held for sale . . . . .	11.1	2.7	59.2	14.3	13.6	3.3
	<u>7,967.9</u>	<u>1,925.3</u>	<u>8,330.7</u>	<u>2,013.0</u>	<u>10,118.4</u>	<u>2,445.0</u>
<b>Total Liabilities</b> . . . . .	<u>26,792.5</u>	<u>6,474.0</u>	<u>36,499.6</u>	<u>8,819.5</u>	<u>38,753.2</u>	<u>9,364.1</u>
<b>Total Equity and Liabilities</b> . . . . .	<u><b>92,545.8</b></u>	<u><b>22,362.2</b></u>	<u><b>93,608.5</b></u>	<u><b>22,618.9</b></u>	<u><b>96,141.4</b></u>	<u><b>23,231.0</b></u>

<sup>(1)</sup> The financial statements as of and for the year ended December 31, 2016 were not restated to account for the effects of change in accounting policies in 2017. See Note 2 to the Genting Group's audited consolidated financial statements for the year ended December 31, 2017 for the changes in accounting policies. The financial statements as of and for the years ended December 31, 2016 and 2017 also do not reflect the effects of conversion to MFRS in 2018 in accordance with MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards" and were not restated for the impact of new accounting standards adopted in 2018. See Note 2 and Note 44 to the Genting Group's audited consolidated financial statements for the year ended December 31, 2018 for the changes in accounting policies. See also "—Financial Impact of Changes in Accounting Policies" and "Presentation of Financial Statements—Comparability of Financial Information."

<sup>(2)</sup> Calculated for illustrative purposes in this offering circular using a middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018 of RM4.1385 to US\$1.00.

### Other Consolidated Financial Data of the Genting Group

Adjusted EBITDA is defined as earnings before depreciation, amortization, interest income, finance cost, share of results in joint ventures, share of results in associates, taxation and also excludes the effects of non-recurring items from the operating segments, such as net fair value gain or loss on financial assets, gain or loss on disposal of financial assets, gain or loss on derecognition/dilution of shareholding in associates, project costs written off, reversal of previously recognized impairment losses, impairment losses, pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses. Unless otherwise indicated, the Adjusted EBITDA figures in this offering circular are calculated on a consolidated basis. Set forth below is a reconciliation of Adjusted EBITDA to profit before taxation. For additional information regarding the use of Adjusted EBITDA, see “Non-GAAP Financial Measures.”

	Year ended December 31					
	2016 <sup>(1)</sup>		2017 <sup>(1)</sup>		2018 <sup>(1)</sup>	
	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>	(RM millions)	(US\$ millions) <sup>(2)</sup>
<b>Profit before taxation</b> . . .	<b>5,522.8</b>	<b>1,334.5</b>	<b>4,312.2</b>	<b>1,042.0</b>	<b>3,418.4</b>	<b>826.0</b>
Net fair value loss on derivative financial instruments . . . . .	93.5	22.6	42.3	10.2	0.6	0.1
Net (gain)/loss on disposal of available-for-sale financial assets . . . . .	(1,307.0)	(315.8)	(226.0)	(54.6)	—	—
Net fair value loss on financial assets at fair value through profit or loss . . . . .	—	—	2.5	0.6	196.3	47.4
Gain on disposal of assets and liabilities classified as held for sale . . . . .	—	—	(302.2)	(73.0)	(0.3)	(0.1)
Net (gain)/loss on derecognition/dilution of shareholdings in joint ventures and associates . . . . .	(26.4)	(6.4)	62.4	15.1	1.8	0.4
Reversal of previously recognized impairment losses . . . . .	(195.2)	(47.2)	—	—	(3.4)	(0.8)
Impairment losses . . . . .	188.2	45.5	675.0	163.1	2,008.5	485.3
Depreciation and amortization . . . . .	1,923.3	464.7	2,127.0	513.9	2,223.7	537.3
Interest income . . . . .	(1,024.5)	(247.6)	(886.8)	(214.3)	(838.1)	(202.5)
Finance cost . . . . .	678.8	164.0	950.1	229.6	1,013.1	244.8
Share of results in joint ventures . . . . .	5.3	1.3	(38.8)	(9.4)	(141.3)	(34.1)
Share of results in associates . . . . .	111.1	26.8	85.9	20.8	6.9	1.7
Others <sup>(3)</sup> . . . . .	154.8	37.5	259.0	62.6	250.9	60.7
<b>Adjusted EBITDA</b> . . . . .	<b><u>6,124.7</u></b>	<b><u>1,479.9</u></b>	<b><u>7,062.6</u></b>	<b><u>1,706.6</u></b>	<b><u>8,137.1</u></b>	<b><u>1,966.2</u></b>

<sup>(1)</sup> Adjusted EBITDA for the year ended December 31, 2016 is not comparable with the year ended December 31, 2017 as it does not reflect changes in accounting policies in 2017. See Note 2 to the Genting Group’s audited consolidated financial statements for the year ended December 31, 2017 for the changes in accounting policies. The Adjusted EBITDA for the years ended December 31, 2016 and 2017 also do not reflect the effects of conversion to MFRS in 2018 in accordance with MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards” and were not restated for the impact of new accounting standards adopted in 2018. See Note 2 and Note 44 to the Genting Group’s audited consolidated financial statements for the year ended December 31, 2018 for the changes in accounting policies. See also “—Financial Impact of Changes in Accounting Policies” and “Presentation of Financial Statements—Comparability of Financial Information.”

<sup>(2)</sup> Calculated for illustrative purposes in this offering circular using a middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018 of RM4.1385 to US\$1.00.

<sup>(3)</sup> Others include pre-operating and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.

### ***Financial Impact of Changes in Accounting Policies***

During the financial year ended December 31, 2018, the audited financial statements of the Genting Group were prepared in accordance with and comply with MFRS, IFRS and the requirements of the Companies Act 2016 in Malaysia.

The audited financial statements for the financial year ended December 31, 2018 are the Genting Group's first set of financial statements prepared in accordance with MFRS, including MFRS 1 "First-time Adoption of Malaysian Financial Reporting Standards." Aside from the short-term exemption on first-time application of MFRS 9 "Financial Instruments" and certain transition elections as disclosed in Note 44 to the audited financial statements for the year ended December 31, 2018 included elsewhere in this offering circular, the Genting Group have consistently applied the same accounting policies in their opening MFRS statements of financial position as of the transition date, January 1, 2017, and throughout all years presented, as if these policies had always been in effect. These policies comply with each MFRS effective as of December 31, 2018, including MFRS 15 "Revenue from Contracts with Customers." The financial statements for the financial year ended December 31, 2017 were prepared based on FRS. Accordingly, in the audited financial statements for the year ended December 31, 2018, the comparative figures for 2017 have been restated to give effect to these changes.

The effects of the Group's transition to MFRS including adoption of MFRS 9, 15 and 141 are disclosed in Note 44 to the 2018 audited financial statements, included elsewhere in this offering circular.

#### **Change in accounting policy for oil palm bearer plants**

During the financial year ended December 31, 2017, the Genting Group changed its accounting policy for bearer plants to be aligned with the underlying principle in the revised standard, Agriculture: Bearer Plants (Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture") issued under the MFRS Framework. A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Prior to the change in accounting policy, the Genting Group adopted the capital maintenance model on its bearer plants (i.e., oil palm trees) where all new planting expenditure (also termed as plantation development expenditure) incurred from the stage of land clearing up to the stage of maturity was capitalized and not depreciated. Replanting expenditure was charged to profit or loss in the financial year in which the expenditure was incurred.

Under the revised accounting policy, bearer plants are classified as property, plant and equipment and are accounted for in the same way as self-constructed items of property, plant and equipment. Plantation development and replanting expenditures are capitalized at cost and depreciated on a straight-line basis over its useful life of 22 years from the date of maturity. The bearer plants are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, if any.

The change has resulted in additional depreciation charges to profit or loss in the current and previous financial years. Replanting expenditure charged to profit or loss in previous years as other expenses has been reversed and capitalized under property, plant and equipment. The corresponding tax impact has been accounted for.

Plantation development expenditure has been reclassified to property, plant and equipment on the statements of financial position.

Cash flows from replanting expenditure which were previously classified as part of operating activities are classified as part of investing activities in the statements of cash flows under the new accounting policy.

**Change in accounting policy for exploration costs**

During the financial year ended December 31, 2017, the Genting Group changed its accounting policy for oil and gas exploration costs from its existing full cost method to the successful efforts method of accounting. Paragraph 13 of FRS 106 “Exploration for and Evaluation of Mineral Resources” allows an entity to change its accounting policy for exploration and evaluation costs if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. Although the full cost method of accounting for oil and gas exploration activities continues to be an accepted alternative, the successful efforts method of accounting is more widely used in the industry, such that the change improves comparability of the Genting Group’s financial statements with its peers. The Genting Group believes the successful efforts method provides a more representational depiction of assets and operating results.

Under the full cost method, all costs (except for office administration costs) relating to oil and gas exploration and evaluation activities are capitalized, while under the successful efforts method, all costs associated with exploration and evaluation activities except for geological and geophysical costs and office administration costs are capitalized. If no proved reserves are found, the associated costs are charged to expense at the time the determination is made.

The effects of the change in accounting policies, if they had been applied retrospectively to the financial year ended December 31, 2016, are as follows:

**Consolidated Financial Statements of the Genting Group for the year ended December 31, 2016 compared to the Restated Consolidated Financial Statements of the Genting Group for the year ended December 31, 2016**

*Consolidated Income Statement for the year ended December 31, 2016*

	Year ended December 31, 2016			
	Audited	Adjustments		Unaudited (restated)
		Oil palm bearer plants	Exploration costs	
	(RM millions)			
Cost of sales . . . . .	(12,463.3)	(79.8)	—	(12,543.1)
Other expenses—others . . . . .	(555.3)	22.0	(5.5)	(538.8)
Profit before taxation . . . . .	5,522.8	(57.8)	(5.5)	5,459.5
Taxation . . . . .	(991.4)	9.7	—	(981.7)
Profit for the financial year . . . . .	4,531.4	(48.1)	(5.5)	4,477.8
Profit attributable to:				
Equity holders of the Company . . . . .	2,146.5	(20.7)	(5.2)	2,120.6
Non-controlling interests . . . . .	2,019.1	(27.4)	(0.3)	1,991.4
Earnings per share (sen):				
—Basic . . . . .	57.69	(0.55)	(0.14)	57.00
—Diluted . . . . .	57.33	(0.56)	(0.14)	56.63

*Consolidated Statement of Financial Position as of December 31, 2016*

	As of December 31, 2016			Unaudited (restated)
	Audited	Adjustments		
		Oil palm bearer plants	Exploration costs	
(RM millions)				
<u>Non-Current Assets</u>				
Property, plant and equipment . . . . .	32,667.6	2,116.0	—	34,783.6
Plantation development . . . . .	2,513.6	(2,513.6)	—	—
Rights of use of oil and gas assets . . . . .	4,674.9	—	(605.2)	4,069.7
<u>Non-Current Liabilities</u>				
Deferred tax liabilities . . . . .	2,025.0	46.2	—	2,071.2
<u>Equity</u>				
Reserves . . . . .	34,650.2	(220.0)	(575.0)	33,855.2
Non-controlling interests . . . . .	23,804.4	(223.8)	(30.2)	23,550.4

The unaudited restated financial statements for the year ended December 31, 2016 are included as the comparative period in the Genting Group's financial statements for the year ended December 31, 2017.

**GOHL**

The following tables set forth selected historical financial and operating data of GOHL for the years ended December 31, 2016, 2017 and 2018. The consolidated statements of comprehensive income data for the years ended December 31, 2016, 2017 and 2018 and the consolidated statements of financial position data as of December 31, 2016, 2017 and 2018 have been derived from the audited consolidated financial statements of GOHL included elsewhere in this offering circular. Historical results are not necessarily indicative of the results we expect in future periods.

You should read the information below together with the financial statements and notes thereto of GOHL included elsewhere in this offering circular.

**Consolidated Income Statements Data of GOHL for the years ended December 31, 2016, 2017 and 2018**

	Year ended December 31,					
	2016		2017		2018	
	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>
<b>Revenue</b> . . . . .	<b>2,228.1</b>	<b>1,632.5</b>	<b>2,392.5</b>	<b>1,753.0</b>	<b>2,539.2</b>	<b>1,860.5</b>
Cost of sales . . . . .	(1,538.6)	(1,127.3)	(1,317.7)	(965.5)	(1,385.4)	(1,015.1)
Gross profit . . . . .	689.5	505.2	1,074.8	787.5	1,153.8	845.4
Other income <sup>(2)</sup> . . . . .	107.5	78.8	192.1	140.7	136.4	99.9
Selling and distribution costs . . . . .	(54.5)	(39.9)	(57.9)	(42.4)	(62.8)	(46.0)
Administration expenses						
—prior years' property tax refund	2.1	1.5	—	—	—	—
—others . . . . .	(162.0)	(118.7)	(161.9)	(118.6)	(183.6)	(134.5)
Other expenses <sup>(3)</sup> . . . . .	(32.7)	(24.0)	(132.8)	(97.3)	(11.8)	(8.6)
Finance cost . . . . .	(44.6)	(32.7)	(97.3)	(71.3)	(121.4)	(89.0)
Share of results in joint ventures . . . . .	4.1	3.0	3.4	2.5	4.0	2.9
Share of results in associate . . . . .	(10.3)	(7.5)	—	—	—	—
<b>Profit before taxation</b>	<b>499.1</b>	<b>365.7</b>	<b>820.4</b>	<b>601.1</b>	<b>914.6</b>	<b>670.1</b>
Taxation . . . . .	(112.1)	(82.1)	(174.5)	(127.9)	(187.9)	(137.7)
<b>Profit</b> . . . . .	<b>387.0</b>	<b>283.6</b>	<b>645.9</b>	<b>473.2</b>	<b>726.7</b>	<b>532.4</b>
Profit attributable to:						
—Equity holder of the Company . . . . .	143.3	105.0	277.9	203.6	369.8	270.9
—Holders of perpetual capital securities of a subsidiary . . . . .	118.2	86.6	84.6	62.0	—	—
—Non-controlling interests . . . . .	125.5	92.0	283.4	207.6	356.9	261.5
	<b>387.0</b>	<b>283.6</b>	<b>645.9</b>	<b>473.2</b>	<b>726.7</b>	<b>532.4</b>

<sup>(1)</sup> Calculated for illustrative purposes in this offering circular at a rate of S\$1.3648 to US\$1.00, which was the published rate of exchange as published by the Monetary Authority of Singapore, the Central Bank of Singapore, as at noon on December 31, 2018.

<sup>(2)</sup> Other income mainly comprises foreign currency exchange gains, interest income and gain on disposal of property, plant and equipment and assets and liabilities classified as held for sale.

<sup>(3)</sup> Other expenses mainly comprise foreign currency exchange losses, impairment of available-for-sale financial assets, impairment and write-off of property, plant and equipment as well as asset classified as held for sale.

*Consolidated Statements of Financial Position Data of GOHL as of December 31, 2016, 2017 and 2018*

	As of December 31,					
	2016		2017		2018	
	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>
<b>Assets</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment . . . . .	5,241.6	3,840.6	5,068.8	3,714.0	4,857.0	3,558.8
Intangible assets . . . . .	178.6	130.8	157.1	115.1	135.6	99.4
Joint ventures and associate . . . . .	50.9	37.3	54.3	39.8	58.3	42.7
Available-for-sale financial assets . . . . .	163.4	119.7	217.3	159.2	—	—
Financial assets at fair value through profit or loss . . . . .	—	—	—	—	221.1	162.0
Other non-current assets . . . . .	3.1	2.3	158.2	115.9	719.7	527.3
Deferred tax assets . . . . .	—	—	0.1	0.1	0.2	0.1
	<u>5,637.6</u>	<u>4,130.7</u>	<u>5,655.8</u>	<u>4,144.1</u>	<u>5,991.9</u>	<u>4,390.3</u>
<b>Current Assets</b>						
Inventories . . . . .	61.5	45.1	48.6	35.6	48.8	35.8
Trade and other receivables . . . . .	197.8	144.9	130.2	95.4	147.2	107.9
Restricted cash . . . . .	103.1	75.5	160.1	117.3	162.7	119.2
Cash and cash equivalents . . . . .	<u>5,093.1</u>	<u>3,731.8</u>	<u>5,971.1</u>	<u>4,375.1</u>	<u>5,920.8</u>	<u>4,338.2</u>
	5,455.5	3,997.3	6,310.0	4,623.4	6,279.5	4,601.1
Assets classified as held for sale . . . . .	<u>515.3</u>	<u>377.6</u>	<u>11.8</u>	<u>8.6</u>	<u>—</u>	<u>—</u>
	<u>5,970.8</u>	<u>4,374.9</u>	<u>6,321.8</u>	<u>4,632.0</u>	<u>6,279.5</u>	<u>4,601.1</u>
<b>Total Assets</b> . . . . .	<b><u>11,608.4</u></b>	<b><u>8,505.6</u></b>	<b><u>11,977.6</u></b>	<b><u>8,776.1</u></b>	<b><u>12,271.4</u></b>	<b><u>8,991.4</u></b>
<b>Equity and Liabilities</b>						
<b>Equity Attributable to Equity holders of the Company</b>						
Share capital . . . . .	2.9	2.1	2.9	2.1	2.9	2.1
Reserves . . . . .	<u>3,963.3</u>	<u>2,904.0</u>	<u>4,229.6</u>	<u>3,099.1</u>	<u>4,497.1</u>	<u>3,295.1</u>
	3,966.2	2,906.1	4,232.5	3,101.2	4,500.0	3,297.2
Perpetual capital securities of a subsidiary . . . . .	2,308.3	1,691.3	—	—	—	—
Non-controlling interests . . . . .	3,389.2	2,483.3	3,509.1	2,571.1	3,674.6	2,692.4
Option reserves . . . . .	<u>28.7</u>	<u>21.0</u>	<u>11.0</u>	<u>8.1</u>	<u>8.0</u>	<u>5.9</u>
<b>Total Equity</b> . . . . .	<u>9,692.4</u>	<u>7,101.7</u>	<u>7,752.6</u>	<u>5,680.4</u>	<u>8,182.6</u>	<u>5,995.5</u>

	As of December 31,					
	2016		2017		2018	
	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>
<b>Non-Current Liabilities</b>						
Borrowings . . . . .	978.1	716.7	3,034.0	2,223.0	2,884.2	2,113.3
Finance leases . . . . .	0.3	0.2	1.0	0.7	12.8	9.4
Deferred tax liabilities	300.1	219.9	283.4	207.7	288.7	211.5
Provisions for retirement gratuities	0.7	0.5	0.4	0.3	0.5	0.4
Other long term liabilities . . . . .	4.2	3.1	2.4	1.8	1.7	1.2
	<u>1,283.4</u>	<u>940.4</u>	<u>3,321.2</u>	<u>2,433.5</u>	<u>3,187.9</u>	<u>2,335.8</u>
<b>Current Liabilities</b>						
Trade and other payables . . . . .	349.6	256.2	500.4	366.6	454.0	332.6
Borrowings . . . . .	182.5	133.7	201.5	147.6	241.8	177.2
Finance leases . . . . .	3.1	2.3	1.6	1.2	3.5	2.6
Taxation . . . . .	93.8	68.7	200.3	146.8	201.6	147.7
	<u>629.0</u>	<u>460.9</u>	<u>903.8</u>	<u>662.2</u>	<u>900.9</u>	<u>660.1</u>
Liabilities classified as held for sale . . . . .	3.6	2.6	—	—	—	—
	<u>632.6</u>	<u>463.5</u>	<u>903.8</u>	<u>662.2</u>	<u>900.9</u>	<u>660.1</u>
<b>Total Liabilities . . . . .</b>	<u>1,916.0</u>	<u>1,403.9</u>	<u>4,225.0</u>	<u>3,095.7</u>	<u>4,088.8</u>	<u>2,995.9</u>
<b>Total Equity and Liabilities . . . . .</b>	<u><b>11,608.4</b></u>	<u><b>8,505.6</b></u>	<u><b>11,977.6</b></u>	<u><b>8,776.1</b></u>	<u><b>12,271.4</b></u>	<u><b>8,991.4</b></u>

<sup>(1)</sup> Calculated for illustrative purposes in this offering circular at a rate of S\$1.3648 to US\$1.00, which was the published rate of exchange as published by the Monetary Authority of Singapore, the Central Bank of Singapore, as at noon on December 31, 2018.



*Other Consolidated Financial Data of GOHL*

	Year ended December 31					
	2016		2017		2018	
	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>	(S\$ millions)	(US\$ millions) <sup>(1)</sup>
<b>Profit before taxation .</b>	<b>499.1</b>	<b>365.7</b>	<b>820.4</b>	<b>601.1</b>	<b>914.6</b>	<b>670.1</b>
Impairment losses on available-for-sale financial assets . . . .	13.6	10.0	—	—	—	—
Impairment loss on property, plant and equipment . . . . .	10.8	7.9	—	—	—	—
Share-based payment expenses . . . . .	10.7	7.8	10.8	7.9	9.2	6.7
(Gain)/Loss on disposal of available-for-sale financial assets, net of transaction costs . . .	(5.0)	(3.7)	4.3	3.2	—	—
Gain on disposal of assets and liabilities classified as held for sale . . . . .	(1.0)	(0.7)	(96.3)	(70.6)	(0.1)	(0.1)
Net exchange (gain)/loss relating to investments . . . . .	(20.0)	(14.7)	109.3	80.1	2.5	1.8
Impairment loss on asset classified as held for sale . . . . .	2.8	2.1	—	—	—	—
Depreciation and amortization . . . . .	296.7	217.4	282.9	207.3	315.5	231.2
Interest income . . . . .	(84.1)	(61.6)	(92.9)	(68.1)	(130.2)	(95.4)
Finance cost . . . . .	44.6	32.7	97.3	71.3	121.4	89.0
Share of results in joint ventures . . . . .	(4.1)	(3.0)	(3.4)	(2.5)	(4.0)	(2.9)
Share of results in associate . . . . .	10.3	7.5	—	—	—	—
Other expenses <sup>(2)</sup> . . . . .	5.0	3.7	19.0	13.9	(0.2)	(0.1)
<b>Adjusted EBITDA . . .</b>	<b>779.4</b>	<b>571.1</b>	<b>1,151.4</b>	<b>843.6</b>	<b>1,228.7</b>	<b>900.3</b>

<sup>(1)</sup> Calculated for illustrative purposes in this offering circular at a rate of S\$1.3648 to US\$1.00, which was the published rate of exchange as published by the Monetary Authority of Singapore, the Central Bank of Singapore, as at noon on December 31, 2018.

<sup>(2)</sup> Other expenses include impairment/write-off/(gain)/loss on disposal of property, plant and equipment, pre-opening/development expenses and other non-recurring adjustments.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion together with the "Selected Historical Financial and Operating Data" section of this offering circular, the financial statements of RWLV and the consolidated financial statements of the Genting Group and, in each case, the notes thereto, included elsewhere in this offering circular. The statements in this discussion regarding industry outlook, our expectations regarding our or the Genting Group's future performance, liquidity and capital resources and other non-historical statements in this discussion are forward-looking statements. These forward-looking statements are subject to numerous risks and uncertainties, including, but not limited to, the risks and uncertainties described in the "Cautionary Note Regarding Forward-Looking Statements" and "Risk Factors" sections of this offering circular. Actual results may differ materially from those contained in or implied by any forward-looking statements.*

### **RWLV**

#### ***History and Development Activities***

RWLV is a direct wholly owned subsidiary of RWLV Holdings and an indirect wholly owned subsidiary of Genting Berhad. Genting Berhad, its subsidiaries and affiliates operate under the "Genting" name and the "Resorts World" brand. There are currently four public companies listed in two jurisdictions that operate under the "Genting" name and are part of the Genting Group, namely Genting Berhad and its subsidiaries, Genting Malaysia, Genting Plantations Berhad ("Genting Plantations") and Genting Singapore.

RWLV was formed on February 26, 2013. We acquired approximately 87 acres of prime land and improvements located at 3000 Las Vegas Boulevard South at the site of the former Echelon development from Boyd Gaming Corporation for \$350.6 million in March 2013 and are planning to develop the Resort, the first iconic, must-see integrated resort to open on the Las Vegas Strip in 10 years. At acquisition, the \$350.6 million purchase price was allocated between land and construction in progress ("CIP") based on their respective fair values as appraised by an independent third-party appraiser at the time of the acquisition.

When completed, we currently expect that the Resort will include approximately 3,400 hotel rooms and suites, approximately 100,000 square feet of gaming space, over 320,000 square feet of restaurant and entertainment space, over 210,000 square feet of spa, health club and resort pools, over 75,000 square feet of state-of-the-art day club and night club space, over 300,000 square feet of meeting and conference space, and approximately 7,100 parking spaces. Full construction and development efforts have continued at the Resort site since November 2017.

We plan to begin hiring property-level executives and managers for the Resort in the fourth quarter of 2019. We expect to hire most of our hourly employees within one month prior to the opening of the Resort. During the construction period, we will refine our operating and marketing strategy and implement operating policies and procedures. The Resort is expected to open during the fourth quarter of 2020.

#### ***Factors Impacting Our Results of Operations***

##### **Operating Results**

As of the date of this offering circular, we have not commenced any significant operations of RWLV because we are in our construction stage. Substantially all of our expenditures are being capitalized to CIP, with the exception of non-construction-related expenses.

We are prohibited from receiving any gaming-related revenues at the Resort until we have obtained the necessary gaming approvals from the Nevada Gaming Authorities. Once we have satisfied all conditions to obtain all necessary gaming licenses, we anticipate that we will commence the gaming operations at the Resort. We cannot be assured that we will be able to obtain the licenses on a timely basis or at all. Additionally, we cannot be assured that construction of the Resort will be completed on the current schedule which would delay commencement of our operations. See “Risk Factors—Risks Relating to Construction of the Project—There are significant risks associated with major construction projects that may prevent completion of the Project on time and within our estimated budget.”

There were no material changes in our results of operations for the years ended December 31, 2018, 2017 and 2016. For the years ended December 31, 2018, 2017 and 2016, we incurred net losses of \$12.0 million, \$10.3 million and \$9.8 million, respectively.

The historical operating results of RWLV will not be indicative of future operating results because activities previously undertaken have been related to our construction stage and our planned future activities include the operation of the Resort. Unless and until the Resort commences operations, we do not expect to generate any revenue, other than investment earnings from accounts in which the net proceeds of this offering, the proceeds from the Closing Date Equity Contribution and the borrowings under the Senior Secured Credit Facilities are deposited. See “Description of Disbursement Agreement.”

During construction, we will have substantial payment obligations relating to Project Costs pursuant to certain agreements described elsewhere in this offering circular. See “Description of Development and Construction Contracts for the Project.”

Following the opening of the Resort, our expenses will be significantly different than those incurred by RWLV during the development period.

### **Expenses**

As the Resort is still in the construction phase, the majority of our expenditures are being capitalized as part of CIP. The majority of the expenses included in our Consolidated Statements of Operations for the years ended December 31, 2018, 2017 and 2016 consists of salaries, taxes and benefits, legal and professional fees, and other pre-opening related expenses that are not directly related to the construction of the Resort and thus are not eligible for capitalization under U.S. GAAP. To date, such expenses have not been material to our overall operations.

***Gaming and Other Operating Expenses.*** Following the opening of the Resort, our expenses will relate to the operation of the Resort, and will consist primarily of:

- payroll, benefits and related costs of employment of our full-time personnel;
- marketing, advertising and promotion, including comps and other customer incentives;
- management and branding fees payable to the Flag Hotels;
- daily fees and licensing fees for certain gaming equipment;
- cost of goods sold for food and beverage and retail operations;
- utility costs and other facility-related costs, including maintenance and supplies;
- gaming taxes;
- real estate taxes;
- accounting, legal, administrative and other professional and consulting services;
- insurance premiums;

- recurring fees for information systems;
- expenses for security, surveillance, custodial, cash and other Resort departments;
- charitable contributions; and
- corporate expenses.

**Other Expenses.** We will incur depreciation expense on our real and personal property. We will also incur amortization expense on the costs of our Financing Transactions.

**Interest Expense.** This expense will consist of interest on the notes and borrowings under our Senior Secured Credit Facilities, including commitment fees under our Revolving Credit Facility, as well as interest on other debt we may incur in the future.

### ***Liquidity and Capital Resources***

We do not have any operating history or history of earnings. In addition, our ability to complete construction of the Resort and begin operations is dependent upon obtaining financing from this offering, the Closing Date Equity Contribution and the Senior Secured Credit Facilities, as well as certain other factors beyond our control.

As of December 31, 2017, we had \$0.2 million in available cash and cash equivalents. We did not hold any cash or cash equivalents as of December 31, 2016. As of December 31, 2017 and 2016, we had total restricted cash of \$4.1 million and \$0.8 million, respectively. As of December 31, 2018, we had \$0.7 million in available cash and cash equivalents and \$16.6 million in total restricted cash. The restricted cash is related to cash collateral for the construction bonds, cash held in escrow by Clark County for building permits, and cash supporting a letter of credit issued as security for RWLV's obligations under its owner controlled insurance program.

Capital expenditures totaled \$467.5 million, \$65.4 million and \$41.2 million during the years ended December 31, 2018, 2017 and 2016, respectively, and were primarily incurred for the ongoing construction of the Resort.

The cash needs of RWLV have been funded to date with cash contributed by Genting Berhad and certain of its subsidiaries for the payment of Project Costs on our behalf. We intend to use the net proceeds from this offering, together with the proceeds from the Closing Date Equity Contribution, borrowings under our Senior Secured Credit Facilities and the other sources of funds described under "Use of Proceeds," to design, develop, construct, equip, finance and open the Resort and expect that these funds will be sufficient, so long as we do not incur any unexpected costs or costs in addition to those set forth under "Use of Proceeds," suffer any unexpected delays or suffer other material and adverse unexpected events. See "Risk Factors—Risks Relating to Construction of the Project—There are significant risks associated with major construction projects that may prevent completion of the Project on time and within our estimated budget."

RWLV's pro forma cash interest expense for the year ended December 31, 2018 (assuming (a) \$1.0 billion in aggregate principal amount of the notes were issued on January 1, 2018, (b) \$400.0 million was borrowed under the Term Loan Facility on January 1, 2018 and (c) no borrowings were outstanding under the Revolving Credit Facility throughout such year) would have been approximately \$63.5 million. Additionally, as described under "Use of Proceeds," our budget currently contemplates that we will draw approximately \$950.0 million under the Revolving Credit Facility to fund costs related to the Project.

During construction, we will have substantial payment obligations relating to Project Costs. See "Use of Proceeds" and "Description of Development and Construction Contracts for the Project." Our expected contractual commitments as of December 31, 2018, after giving effect to this offering,

\$400.0 million of borrowings under the Term Loan Facility and the execution of certain contracts relating to Project Costs include:

	Total	Payment due by Period			
		(in millions)			
		Less than 1 Year	1 - 3 Years	3 - 5 Years	More than 5 Years
Construction hard costs <sup>(1)</sup> . . . . .	\$2,245.0	\$1,220.5	\$1,024.5	\$ —	\$ —
Pro forma long term debt <sup>(2)</sup> . . . . .	1,947.7	63.7	127.3	525.5	1,231.3
Total: . . . . .	\$4,192.7	\$1,284.2	\$1,151.8	\$525.5	\$1,231.3

- (1) The construction hard costs will be those remaining costs covered by our guaranteed maximum price construction contract with W.A. Richardson.
- (2) Pro forma long term debt includes principal and estimated interest on the notes, principal and estimated interest on the Term Loan Facility, estimated commitment fees under the Revolving Credit Facility and administrative and related fees payable on the Senior Secured Credit Facilities. Our pro forma long term debt assumes no borrowings under the Revolving Credit Facility. Our budget currently contemplates that after the funds in the Notes Proceeds Account have been exhausted, we will draw approximately \$950.0 million of the \$1,200.0 million committed under the Revolving Credit Facility to fund Project Costs after the consummation of this offering. Borrowings under the Revolving Credit Facility will bear interest at a floating rate and will mature on the five year anniversary of the closing of this offering. See “Description of Senior Secured Credit Facilities.”

Following the opening of the Resort, we expect to fund our operations and capital requirements and service our outstanding debt through cash generated from operations and the borrowings under the Revolving Credit Facility and, on or prior to the second anniversary of the Opening Date, to meet our debt service obligations through the Debt Service Funding Agreements. Following the opening of the Resort, we expect that our primary capital expenditures will relate to the maintenance of the Resort, including modifications to our offering of table games and slot machines.

Before the Resort commences operations, which is expected to occur in the fourth quarter of 2020, we will have no material operations or earnings. Consequently, we will be dependent on the net proceeds of this offering, the Closing Date Equity Contribution, borrowings under the Senior Secured Credit Facilities, amounts payable by GOHL under the Funding Agreements and the other sources of funds described under “Use of Proceeds” to satisfy our remaining Project Costs, debt service and other obligations. Our budget currently contemplates that we will draw approximately \$950.0 million of the \$1,200.0 million committed under the Revolving Credit Facility to fund costs related to the Project. However, our ability to borrow amounts under the Revolving Credit Facility will be subject to certain conditions precedent under the Credit Agreement. We cannot assure you that these conditions will be satisfied when we need to make drawdowns to pay our construction costs. See “Risk Factors—Risks Relating to Construction of the Project—Our ability to access the various financing components for the Project is subject to certain conditions, not all of which may be satisfied.”

After the Resort commences operations, our ability to make payments on, and to refinance our indebtedness, including the notes, and to fund working capital needs and planned capital expenditures will depend on our ability to generate sufficient cash flow from operations. We cannot assure you that we will begin operations by the scheduled opening date or at all, or that we will be able to generate sufficient cash flow to meet our expenses, including our debt service requirements. Our ability to generate cash flow is subject, to a considerable extent, to general economic, financial, competitive, business, legislative, regulatory and other factors that are beyond our control.

If our business does not generate cash flow from operations in an amount sufficient to enable us to pay our indebtedness and to fund our other liquidity needs, including borrowings under the Revolving Credit Facility, we may need to refinance all or a portion of our indebtedness, including the notes, on or before the maturity date, sell assets, reduce or delay capital investments or seek to raise additional capital, any of which could have a material adverse effect on our operations. In addition, we may not be able to effect any of these actions, if necessary, on commercially reasonable terms or at all. Our ability to sell assets or restructure or refinance our indebtedness, including the notes, will depend on the condition of the capital markets and our financial condition at such time and may also require the prior consent of the Nevada Gaming Authorities. Any refinancing of any of our debt could be at higher interest rates and may require us to comply with more onerous covenants, which could further restrict our business operations. The terms of existing or future debt instruments, including the indenture governing the notes, may limit or prevent us from taking any of these actions. In addition, any failure to make scheduled payments of interest and principal on our outstanding indebtedness would likely result in a reduction of our credit rating, which could harm our ability to incur additional indebtedness on commercially reasonable terms or at all. Our inability to generate sufficient cash flow to satisfy our debt service obligations, or to refinance or restructure our obligations on commercially reasonable terms or at all, could have a material adverse effect on our business, financial condition and results of operations, as well as on our ability to satisfy our obligations in respect of the notes.

Additionally, if we fail to meet our payment obligations or otherwise default under the indenture or the Credit Agreement, the holders of the notes and the applicable lenders will have the right to accelerate the notes and/or such indebtedness and exercise other rights and remedies against us. See “Description of Notes—Events of Default” and “Description of Senior Secured Credit Facilities—Events of Default.” These rights and remedies may include, but are not limited to, the rights to:

- in the case of our secured creditors, repossess and foreclose upon the assets that serve as collateral for our Senior Secured Credit Facilities and/or initiate judicial foreclosure against us;
- petition a court to appoint a receiver for us or for substantially all of our assets; and
- if we are insolvent, to initiate involuntary bankruptcy proceeding against us,

in each case, subject to the provisions of the relevant agreements, the procedural restraints and limitations applicable to secured creditors generally and those imposed by applicable gaming laws, rules and regulations. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—To service our indebtedness, we will require a significant amount of cash. Our ability to generate cash depends on many factors beyond our control, and any failure to meet our debt service obligations could harm our business, financial condition and results of operations.”

In addition, the indenture governing the notes and the Senior Secured Credit Facilities impose certain restrictions on us and our subsidiaries. Our failure to comply with these restrictive covenants, including our failure as a result of events beyond our control, could trigger an event of default, which, if not cured or waived, could result in our being required to repay our indebtedness before its due date. If we are forced to refinance our indebtedness on less favorable terms, our results of operations and financial condition could be adversely affected. Our assets and cash flow would likely be insufficient to fully repay borrowings under our outstanding debt instruments if accelerated upon an event of default. Further, if we are unable to repay, refinance or restructure our indebtedness under our Senior Secured Credit Facilities, the holders of such debt could proceed against the collateral securing that indebtedness. Any event of default or declaration of acceleration under one debt instrument could also result in an event of default under one or more of our other debt instruments. In addition, counterparties to some of our Project agreements and long-term vendor agreements may have the right to amend or terminate such agreements if an event of default or a declaration of acceleration under these agreements is triggered, which could adversely affect our business, financial condition and results of operations.

The debt structure described above will require us to generate sufficient cash flow to pay the current interest due on the outstanding borrowings on a quarterly (or shorter) basis. Since interest rates under the Senior Secured Credit Facilities will reset based on the value of LIBOR for the applicable interest period on the applicable LIBOR interest determination date, we will have a variable interest obligation that may cause volatility in our cash flows. In addition, base interest rates are historically low and interest rates may increase over time.

#### ***Off-Balance Sheet Arrangements***

We do not have any off-balance sheet arrangements that have, or are reasonably likely to have, a current or future material effect on our financial condition, changes in financial condition, revenue or expenses, results of operations, liquidity, capital expenditures or capital resources. Currently, we have no guarantees, such as performance guarantees, keepwell agreements or indemnities in favor of third parties.

#### ***Seasonality / Factors Affecting Comparability***

We have no operating history. We believe our operations may be modestly affected by seasonal factors, which could coincide with holidays, major city-wide conventions, major sporting events and other events. In addition, our operations may be impacted by fluctuations in the economy and travel conditions. Accordingly, our results of operations may fluctuate from quarter to quarter and results for any one quarter may not be indicative of results for future quarters.

#### ***Quantitative and Qualitative Disclosures about Market Risk***

Market risk is the risk of loss arising from adverse changes in market rates and prices, such as interest rates, foreign currency exchange rates and commodity prices. As of the date of this offering circular, we have not invested in derivative or foreign currency-based financial instruments.

Our exposure to market risk for changes in interest rates relates primarily to our debt obligations. We have no cash flow exposure due to rate changes on the notes because they bear interest at fixed rates. However, we do have cash flow exposure on the Senior Secured Credit Facilities due to their floating interest rates based on LIBOR. Assuming we borrowed \$400.0 million under the Term Loan Facility, a 1% change in LIBOR above the LIBOR floor of 0% would result in our interest expense on the Term Loan Facility fluctuating \$3.5 million per year, without taking into account the effect of any hedging instruments.

#### ***Critical Accounting Policies and Estimates***

##### **Accounting Estimates**

The preparation of financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

##### **Cash and Cash Equivalents**

We classify deposits that can be redeemed on demand and investments with an original maturity of three months or less when purchased as cash and cash equivalents. Cash equivalents are carried at cost, which approximates market value. For financial reporting purposes, cash and cash equivalents include all operating cash. As of December 31, 2018 and 2017, we had \$0.7 million and \$0.2 million, respectively, in available cash and cash equivalents. We did not hold any cash or cash equivalents as of

December 31, 2016. As of December 31, 2018, 2017 and 2016, we had total restricted cash of \$16.6 million, \$4.1 million and \$0.8 million, respectively. The restricted cash is related to cash collateral for the construction bonds, which are denominated in U.S. dollars, cash held in escrow by Clark County for building permits, and cash supporting a letter of credit issued as security for our obligations.

### **Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded over the estimated useful lives of the assets, other than land, on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the improvements. Estimated useful lives by asset categories are as follows:

Building and land improvements . . . . .	30 years
Furniture fixtures and equipment . . . . .	2 - 10 years

The costs of significant improvements are capitalized. Costs of normal repairs and maintenance are expensed as incurred. Gains or losses on disposition of property and equipment are included in the determination of net income.

Our property and equipment are assessed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If it is determined that the carrying amounts may not be recoverable based on current and future levels of income and expected future cash flows, as well as other factors, an impairment loss will be recognized at such time. As of December 31, 2018, 2017 and 2016, we assessed our property and equipment for impairment and determined that no impairment existed.

### **Fair Value of Financial Instruments**

We have adopted fair value provisions in accordance with authoritative guidance issued by the Financial Accounting Standards Board (“FASB”) pertaining to financial assets and liabilities. The guidance clarifies how companies are required to use a fair value measure for recognition and disclosure by establishing a common definition of fair value, a framework for measuring fair value and expanded disclosures about fair value measurements. We apply the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels:

Level 1 Quoted prices for identical assets or liabilities in active markets;

Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets or valuations based on models where the significant inputs are observable or can be corroborated by observable market data; and

Level 3 Valuations based on models where the significant inputs are not observable. The unobservable inputs reflect our estimates or assumptions that market participants would use in pricing the asset or liability.

Our assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of financial assets and liabilities and their placement within the fair value hierarchy.

The carrying amount of our financial assets and liabilities, which include construction payables approximate fair value as of December 31, 2018, 2017 and 2016, due to the short-term nature of these instruments.

### **Revenue Recognition**

We have not begun operations and accordingly have not yet recognized revenue.



## **Income Taxes**

RWLV is a single member limited liability company and has elected to present a tax provision in these separate financial statements. Accordingly, we apply the asset and liability approach to financial accounting and reporting for income taxes. RWLV is included in the consolidated federal return filed for Genting Assets. We have elected to record taxes as if they had been calculated on a separate company basis. Deferred income tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates for the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

We have adopted authoritative guidance within Accounting Standards Codification (“ASC”) 740 which clarified the accounting for uncertainty in income taxes recognized in the financial statements. We account for uncertain income tax positions using a benefit recognition model with a two-step approach, a more-likely-than-not recognition criterion and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50% likely of being ultimately realized upon ultimate settlement in accordance with ASC 740. If it is not more likely than not that the benefit will be sustained on its technical merits, no benefit will be recorded. Uncertain tax positions that relate only to timing of when an item is included on a tax return are considered to have met the recognition threshold. For the years ended December 31, 2018, 2017 and 2016, we have not recorded any provisions related to uncertain tax positions.

## **Comprehensive Income**

There are no comprehensive income items other than net income. Comprehensive income equals net income for all periods presented.

## ***New Accounting Standards***

### **Revenue**

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers” (Topic 606). This ASU provides guidance for revenue recognition and affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, “Revenue Recognition,” and most industry specific guidance. The standard’s core principle is the recognition of revenue when a company transfers promised goods or services to customers in an amount that reflects the consideration to which we expect to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under the current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU 2015-14, “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date,” which deferred the effective date of ASU 2014-09 to the fiscal year beginning after December 15, 2018. Early adoption is permitted for the fiscal year beginning after December 15, 2017. The FASB has since issued several accounting standards updates to further clarify this guidance including: (1) principal versus agent considerations, (2) identifying performance obligations and licensing, (3) narrow-scope improvements and practical expedients and (4) technical corrections and improvements. RWLV will adopt this standard in our annual period ended December 31, 2019, and the impact of such adoption is not expected to be material.

## **Leases**

In February 2016, the FASB issued ASU No. 2016-02, an accounting standard update to lease accounting. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. This guidance will be required for annual reporting periods ending after December 15, 2019, with early adoption permitted. RWLV will adopt this standard early in our annual period ended December 31, 2019, consistent with Genting Berhad, and the impact of such adoption is not expected to be material.

## **Cash Flows**

In August 2016, the FASB issued ASU 2016-15, an accounting standards update which clarifies the treatment of several cash flow categories in an attempt to reduce the current diversity in practice. The update also clarifies that when cash receipts and cash payments have aspects of more than one class of cash flows and cannot be separated, classification will depend on the predominant source or use. This guidance will be required to be applied on a retrospective basis and will be effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. We are currently evaluating the impact that this guidance will have on its financial statements and disclosures.

## **Restricted Cash**

In November 2016, the FASB issued ASU 2016-18, an accounting standards update which clarifies the classification and presentation of restricted cash in the statement of cash flows. The update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This guidance will be required to be applied on a retrospective basis and will be effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. We are currently evaluating the impact that this guidance will have on its financial statements and disclosures.

## **The Genting Group**

### *Overview*

The Genting Group, which had its origin in 1965 as a family holiday resort development in Genting Highlands, Malaysia has grown steadily over the years to become a diversified global corporation that it is today. The Genting Group's activities are principally in leisure, hospitality, gaming and entertainment, oil palm plantations, power generation, oil and gas, property development, life sciences and biotechnology activities and other investments. The businesses are spread across Malaysia, Singapore, the United States, the Bahamas, the United Kingdom, Egypt, China, Indonesia and India. The Genting Group comprises four public companies listed on the stock exchanges of Malaysia and Singapore—Genting Berhad, Genting Malaysia, Genting Plantations and Genting Singapore. The Genting Group employs over 56,000 people worldwide and owns approximately 247,400 hectares of plantation land.

Genting Singapore operates predominantly in Asia with its main business in leisure and hospitality operations in Singapore, where the development and operation of an integrated resort contributes most of its revenue. Genting Singapore intends to continue to refine its marketing focus to those markets which will produce respectable returns on its invested resources, and will continue to dedicate

substantial resources to the planning of and reinvestment in Resorts World Sentosa to ensure that it remains the top resort destination in Asia Pacific. In Japan, the Integrated Resorts Implementation Bill, which is expected to pave the way for the formal bidding process for Japan's potential gaming licenses, was enacted by the Japanese Diet in July of 2018. Genting Singapore has been gearing up for this expansion opportunity, hiring a new team of Japanese nationals in different disciplines to prepare for the bid, and is looking forward to the Japanese government publishing detailed regulations for the establishment of integrated resorts.

Genting Malaysia is committed to providing its customers a delightful and memorable experience and achieving its vision of becoming the leading integrated resort operator in the world. It aims to generate sustainable growth and enhance strategic marketing efforts to grow and expand into regional markets following the introduction of new attractions and facilities at Resorts World Genting. In December 2013, Genting Malaysia embarked on a 10-year master plan in Malaysia to reinvigorate and transform Resorts World Genting under the GITP. Since then, Genting Malaysia has introduced a host of new facilities and attractions under the GITP including the First World Hotel Tower 3, the Awana SkyWay cable car system, the refurbished Theme Park Hotel, the new Crockfords Hotel, the SkyAvenue entertainment complex, the refurbished First World Plaza and the Genting Highlands Premium Outlet, as well as the new Skytropolis Funland indoor theme park which opened in December 2018.

In the United Kingdom, Genting Malaysia owns and operates over 40 casinos, making it one of the largest casino operators in the country. Genting Malaysia also operates an interactive online gaming platform, comprising an online casino and sports book operation, aimed at providing customers a seamless multi-channel gaming experience. Additionally, Genting Malaysia operates Resorts World Birmingham, the first integrated leisure complex of its kind in the United Kingdom, offering gaming and entertainment facilities, retail and dining outlets and a 178-room four-star hotel. In the Middle East, Genting Malaysia owns and operates Crockfords Cairo, an exclusive casino inside The Nile Ritz-Carlton Hotel in Cairo.

In the United States, Genting Malaysia operates RWNYC, the first and only video gaming machine facility in New York City, which welcomed approximately 10 million visitors in 2018, up from 7.6 million in 2017. As a premier entertainment hub, RWNYC offers visitors the ultimate gaming and entertainment experience, including electronic gaming machines, shows, events and culinary delights. RWNYC's expansion plans, which include the opening of new facilities and attractions such as a 400-room hotel, additional gaming space, food and beverage outlets, retail stores and entertainment facilities, is well underway and the new facilities are expected to open in phases beginning in the fourth quarter of 2019. In Miami, Genting Malaysia owns the newly renovated 527-room Hilton Miami Downtown, which sits on 30 acres of prime freehold waterfront land.

Genting Plantations continues to explore opportunities to expand through value-accretive investments for future growth while progressively planting up areas in its existing landbank. At the same time, it is intent on managing cost and yield improvement through better agronomic practices and operational efficiency. For the Property Division, Genting Plantations continuously identifies and develops its strategically located landbank for property development.

Our unlisted entity, Genting Energy Limited ("Genting Energy"), encompasses the Genting Group's power generation and oil & gas businesses. Genting Energy's two new coal fired power plants, namely the 55% owned 660 megawatt supercritical coal-fired Banten power plant (Phase I) in Indonesia and the 49% owned 2x1,000 megawatt ultra-supercritical coal-fired Meizhou Wan power plant (Phase II) in Fujian, China recorded their full year of operations in 2018. In April 2018, Genting Energy obtained approval from Indonesia's Ministry of Energy and Mineral Resources for the first phase of the Plan of Development for the Asap-Kido-Merah structures within the concession area of the Kasuri Block in West Papua, Indonesia.

Revenue information based on the geographical location of customers for the years ended December 31, 2016, 2017 and 2018 are as follows:

	Year ended December 31,					
	2016		2017		2018	
	(RM millions)	(US\$ millions) <sup>(1)</sup>	(RM millions)	(US\$ millions) <sup>(1)</sup>	(RM millions)	(US\$ millions) <sup>(1)</sup>
Malaysia . . . . .	6,819.9	1,647.9	7,185.8	1,736.3	8,060.2	1,947.6
Singapore . . . . .	6,698.5	1,618.6	7,449.6	1,800.1	7,597.4	1,835.8
Asia Pacific (excluding Malaysia & Singapore) <sup>(2)</sup> . . . . .	1,603.5	387.4	1,929.1	466.1	1,916.4	463.1
United States and Bahamas . . . . .	1,418.5	342.8	1,512.7	365.5	1,456.7	352.0
United Kingdom and Egypt . . . . .	1,825.4	441.1	1,942.4	469.4	1,822.3	440.3
	<u>18,365.8</u>	<u>4,437.8</u>	<u>20,019.6</u>	<u>4,837.4</u>	<u>20,853.0</u>	<u>5,038.8</u>

<sup>(1)</sup> Calculated for illustrative purposes in this offering circular using a middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018 of RM4.1385 to US\$1.00.

<sup>(2)</sup> Asia Pacific includes China, India and Indonesia.

For the year ended December 31, 2018, the Genting Group's two largest markets, Malaysia and Singapore, contributed 39% and 36% of its revenue, respectively.

***Year ended December 31, 2018 compared to year ended December 31, 2017***

**Revenue**

The Genting Group generated revenue of RM20,853.0 million for the year ended December 31, 2018, compared to RM20,019.6 million for the year ended December 31, 2017, an increase of 4%.

The Leisure & Hospitality Division's total revenue for the year ended December 31, 2018 grew by 4% over total revenue for the year ended December 31, 2017. Increased revenue of 2% from Resorts World Sentosa was driven mainly by encouraging performance in both gaming and non-gaming segments. Revenue from Resorts World Genting, which increased by 13%, was due mainly to an improved hold percentage in the mid- to premium-players segment and higher business volume from the mass market segment. The opening of new attractions under the GITP has been well-received and contributed to a 22% increase in non-gaming revenue. Revenue from the Leisure & Hospitality Division in the United Kingdom and Egypt fell by 6% due mainly to the lower volume of business from its premium gaming segment, partially offset by higher contribution from Crockfords Cairo and interactive business. The Leisure & Hospitality Division in the United States and the Bahamas recorded lower revenue by 4% due mainly to the weaker U.S. dollar exchange rate to the Ringgit Malaysia.

Revenue from the Plantations Division increased by 4%, attributable mainly to the Downstream Manufacturing segment's higher offtake of biodiesel and refinery products. The increase was partially offset by lower revenue from the Oil Palm Plantation segment due to the softer palm products selling prices despite a growth in FFB production caused by an improvement in crop output from its Indonesia operations, with an increase in mature areas and better age profile. In Malaysia, revenue was impacted by the delayed effects of adverse weather conditions in the preceding two years along with a decline in mature areas stemming from replanting activities.

Revenue of the Power Division for the year ended December 31, 2018 arose mainly from the sale of electricity by the Indonesian Banten Plant, while revenue for the year ended December 31, 2017 included construction revenue until March 2017, and thereafter revenue from the sale of electricity by the Banten power plant following the start of its commercial operations in March of 2017.

The Oil & Gas Division recorded an increase in revenue of 5% due mainly to higher average oil prices.

### **Costs and expenses**

Total costs and expenses before finance costs and share of results in joint ventures and associates of the Genting Group in the year ended December 31, 2018 was RM17,709.2 million, compared to RM16,480.3 million in the year ended December 31, 2017. The higher costs and expenses were due mainly to the following:

- a) Cost of sales increased from RM12,741.8 million to RM13,029.9 million, an increase of RM288.1 million. The increase came mainly from the Downstream Manufacturing segment in tandem with the higher sales quantity achieved.
- b) Impairment losses in the year ended December 31, 2018 were RM2,008.5 million, compared to RM675.0 million in the year ended December 31, 2017. The impairment losses in the year ended December 31, 2018 were related mainly to the impairment loss of RM1,834.3 million on Genting Malaysia Group's investment in the promissory notes (the "Promissory Notes") issued by the Mashpee Wampanoag Tribe ("Tribe") to finance the Tribe's development of an integrated gaming resort in Taunton, Massachusetts, United States. The impairment loss was due to the uncertainty of recovery of the Promissory Notes following the U.S. Department of the Interior's decision in September 2018 concluding that the Tribe did not satisfy the conditions under the Indian Reorganization Act of 1934 that would have allowed it to hold the land in trust for an integrated gaming resort development. The impairment losses in the year ended December 31, 2017 of RM675.0 million were mainly in respect of the United Kingdom casino licenses at certain locations, the carrying value of the Genting Group's investment in Lanco Kondapalli Power Limited due to the adverse performance of its power plant in India for a prolonged period, the carrying value of a life sciences investment which is in the process of winding up and certain of the Genting Group's available-for-sale financial assets where fair values were determined to be below their carrying values.
- c) Selling and distribution costs decreased marginally from RM467.4 million to RM452.5 million, a decrease of RM14.9 million.
- d) Administration expenses decreased marginally from RM1,515.6 million to RM1,459.4 million, a decrease of RM56.2 million.
- e) Other expenses decreased from RM1,038.2 million to RM546.0 million, mainly due to net foreign currency exchange losses in the year ended December 31, 2017.
- f) Other gains/losses were RM212.9 million for the year ended December 31, 2018 and comprised net foreign currency exchange losses and net fair value losses on financial assets at fair value through profit or loss as well as derivative financial instruments. For the years ended December 31, 2017 and 2016, these were presented under "other income" or "other expenses" and have not been reclassified to conform to the new presentation for the year ended December 31, 2018.

### **Other income**

The Genting Group's other income decreased from RM1,770.1 million for the year ended December 31, 2017 to RM1,149.9 million for the year ended December 31, 2018. For the year ended December 31, 2017, other income included a one-off gain of RM302.2 million recognized from the disposal of Genting Singapore's 50% interest in Landing Jeju Development Co., Ltd and net gain on disposal of available-for-sale financial assets.

### **Adjusted EBITDA**

The Genting Group's Adjusted EBITDA for the year ended December 31, 2018 excludes the effects of non-recurring items from the operating segments, such as net fair value gain or loss on financial assets, gain or loss on disposal of assets, assets written off, gain or loss on changes in shareholding in joint ventures and associates, project costs written off, reversal of previously recognized impairment losses, impairment losses and pre-opening and development expenses.

The Genting Group's Adjusted EBITDA increased from RM7,062.6 million for the year ended December 31, 2017 to RM8,137.1 million for the year ended December 31, 2018. Higher Adjusted EBITDA was recorded from all the business segments except for the Leisure & Hospitality Division in the United Kingdom and Egypt, the Plantations Division and the Property Division.

Adjusted EBITDA of Resorts World Sentosa improved in the year ended December 31, 2018 due to ongoing productivity initiatives. Higher revenue from Resorts World Genting contributed to the increase in Adjusted EBITDA. However, this was partially offset by higher operating costs incurred for the new facilities under the GITP.

Adjusted EBITDA of the Plantations Division was lower due mainly to the effects of softer palm products selling prices, which were partly mitigated by an increase in FFB production.

Lower net foreign exchange losses on net foreign currency denominated financial assets also contributed to the Genting Group's higher Adjusted EBITDA in the year ended December 31, 2018.

Adjusted EBITDA is a supplemental measure of financial performance and liquidity and is not required by, or presented in accordance with, FRS, MFRS or IFRS. Though we and Genting Berhad believe Adjusted EBITDA serves as a meaningful indicator of the Genting Group's operating performance, it should not be considered as an alternative to profit or any other performance measure derived in accordance with FRS, MFRS or IFRS. For a reconciliation of Adjusted EBITDA to profit, the most closely comparable FRS financial measure, see "Selected Historical Financial and Operating Data—The Genting Group."

### **Finance costs**

The Genting Group's finance costs in the year ended December 31, 2018 increased to RM1,013.1 million from RM950.1 million, due mainly to the full year impact of interest on the \$0.5 billion guaranteed notes issued by GOHL Capital Limited in October 2017.

### **Taxation**

The Genting Group's tax expense decreased from RM1,069.4 million for the year ended December 31, 2017 to RM974.5 million for the year ended December 31, 2018. The decrease was due mainly to the recognition of deferred tax assets by Genting Malaysia on the impairment loss which arose from the investment in the Promissory Notes issued by the Tribe.

### **Profit attributable to equity holders of Genting Berhad**

The profit attributable to Genting Berhad's equity holders decreased by 6% from RM1,445.3 million in the year ended December 31, 2017 to RM1,365.6 million in the year ended December 31, 2018.

#### ***Year ended December 31, 2017 compared to year ended December 31, 2016***

##### **Revenue**

The Genting Group generated revenue of RM20,019.6 million for the year ended December 31, 2017, compared to RM18,365.8 million for the year ended December 31, 2016, an increase of 9%.

The Leisure & Hospitality Division's total revenue for the year ended December 31, 2017 grew by 7% over total revenue for the year ended December 31, 2016. Increased revenue of 11% from Resorts World Sentosa was driven mainly by its efforts in growing its regional premium mass business. Revenue from Resorts World Genting, which increased by 4%, was contributed mainly by the mass market segment following the opening of new facilities under the GTP since December 2016. However, this was partially offset by lower revenue from the mid- to premium-players segments of the business due to lower hold percentage despite the higher volume of business. The casino business in the United Kingdom and Egypt recorded an increase in revenue of 4% due mainly to higher hold percentage and higher volume of business from its premium gaming segment. An increase in revenue of 5% was recorded by the Leisure & Hospitality Division in the United States and the Bahamas due mainly to an improved commission structure with the New York State authority on RWNYS's gaming operations as well as the stronger U.S. dollar exchange rate to the Ringgit Malaysia. This was partially offset by lower revenue from Resorts World Bimini in the Bahamas due to lower volume of business and hold percentage.

Revenue from the Plantations Division increased by 34%, attributable to an increase in FFB production, with improvements from both Malaysia and Indonesia buoyed by crop recovery from the impact of El Niño, along with additional mature areas and an improved age profile of planted areas in Indonesia. The Downstream Manufacturing segment recorded higher sales of refined palm products and biodiesel.

Revenue of the Power Division for the year ended December 31, 2017 included construction revenue until March 2017, and thereafter revenue from sale of electricity by the Banten power plant following the start of its commercial operations in March of 2017. Revenue for the year ended December 31, 2016 comprised mainly construction revenue from the Banten power plant.

The Oil & Gas Division recorded an increase in revenue of 42% due mainly to higher average oil prices.

##### **Costs and Expenses**

Total costs and expenses before finance costs and share of results in joint ventures and associates of the Genting Group in the year ended December 31, 2017 were RM16,480.3 million, compared to RM15,245.0 million in the year ended December 31, 2016. The higher costs and expenses were due mainly to the following:

- a) Cost of sales increased from RM12,463.3 million to RM12,741.8 million, an increase of RM278.5 million. Cost of sales of Genting Malaysia increased due mainly to higher cost of inventories, payroll and related costs, depreciation and amortization charges as a result of the commencement of operations of certain facilities under the GTP and gaming related expenses. These increases were partially offset by lower cost of sales of Genting Singapore due

mainly to lower operating costs and overheads as a result of various cost efficiency improvement initiatives and lower impairment on trade receivables.

- b) Impairment losses in the year ended December 31, 2017 were RM675.0 million, compared to RM188.2 million in the year ended December 31, 2016. The impairment losses in the year ended December 31, 2017 were mainly in respect of the United Kingdom casino licenses at certain locations, the carrying value of the Genting Group's investment in Lanco Kondapalli Power Limited due to the adverse performance of its power plant in India for a prolonged period, the carrying value of a life sciences investment which is in the process of winding up and certain of the Genting Group's available-for-sale financial assets where fair values were determined to be below their carrying values.
- c) Selling and distribution costs increased marginally from RM445.0 million to RM467.4 million, an increase of RM22.4 million.
- d) Administration expenses increased marginally from RM1,499.7 million to RM1,515.6 million, an increase of RM15.9 million.
- e) Other expenses of the Genting Group increased from RM555.3 million to RM1,038.2 million, an increase of RM482.9 million. The increase was due mainly to higher foreign exchange losses of RM274.4 million on net foreign currency-denominated financial assets in 2017. In addition, Genting Malaysia had, in the year ended December 31, 2016, recorded a reversal of expenses over-accrued in previous periods in respect of its U.S. operations.

The above increases were partially offset by lower net fair value loss on derivative financial instruments in the year ended December 31, 2017.

#### **Other Income and Reversal of Previously Recognized Impairment Losses**

The decrease in other income of the Genting Group from RM3,002.0 million in the year ended December 31, 2016 to RM1,770.1 million in the year ended December 31, 2017 was due mainly to the recognition of a one-off gain in the year ended December 31, 2016 of RM1.3 billion from the disposal of Genting Malaysia's investment in Genting Hong Kong. Excluding this one-off gain of RM1.3 billion, the other income of the Genting Group increased in the year ended December 31, 2017 due to higher net gain on disposal of available-for-sale financial assets as well, as a gain of RM302.2 million recognized from the completion of the disposal of Genting Singapore's 50% interest in its former associate, Landing Jeju Development Co., Ltd.

The reversal of previously recognized impairment losses of RM195.2 million in the year ended December 31, 2016 was mainly in respect of the casino licenses and property, plant and equipment of certain casinos in the United Kingdom.

#### **Adjusted EBITDA**

The Genting Group's Adjusted EBITDA for the year ended December 31, 2017 excluded the effects of non-recurring items from the operating segments, such as net fair value gain or loss on financial assets, gain or loss on disposal of financial assets, gain or loss on derecognition/dilution of shareholding in associates, project costs written off, reversal of previously recognized impairment losses, impairment losses, pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.

The Genting Group's Adjusted EBITDA for the year ended December 31, 2017 was RM7,062.6 million, compared to RM6,124.7 million for the year ended December 31, 2016. Higher Adjusted EBITDA was recorded from all the business segments except for Resorts World Genting in Malaysia and the casino business in the United Kingdom.



Adjusted EBITDA of Resorts World Sentosa improved significantly in the year ended December 31, 2017, driven by higher revenue, a reduction in impairment on trade receivables and improved operating margins. The Leisure & Hospitality Division in the United States and the Bahamas recorded higher Adjusted EBITDA, contributed by higher revenue from RWNYC operations and a lower operating loss from Bimini operations as a result of cost rationalization initiatives.

Adjusted EBITDA of the Plantations Division in Indonesia increased due mainly to FFB higher production of, while Adjusted EBITDA of the Plantations Division in Malaysia was comparable to the previous year as the positive impact of its higher FFB production of was largely offset by unrealized profit from intra-segment sales.

In Malaysia, Resorts World Genting's Adjusted EBITDA was lower due mainly to higher costs relating to the premium players business and higher operating costs incurred for the new facilities under the GITP. Despite higher revenue from the casino business in the United Kingdom, its Adjusted EBITDA decreased due to higher net bad debt written off.

Net foreign exchange losses on net foreign currency-denominated financial assets negatively impacted the Genting Group's Adjusted EBITDA for the year ended December 31, 2017, compared to net foreign exchange gains recorded during the year ended December 31, 2016.

### **Finance Costs**

The Genting Group's finance costs for the year ended December 31, 2017 were RM950.1 million, compared to RM678.8 million for the year ended December 31, 2016. The increase of RM271.3 million was due mainly to interest on the \$1.5 billion guaranteed notes issued by GOHL Capital Limited in 2017.

### **Taxation**

Tax expense of the Genting Group increased from RM991.4 million for the year ended December 31, 2016 to RM1,069.4 million for the year ended December 31, 2017. The increase came mainly from Genting Singapore following a significant increase in its profit during 2017.

### **Profit Attributable to Equity Holders of Genting Berhad**

The profit attributable to equity holders of Genting Berhad decreased from RM2,146.5 million for the year ended December 31, 2016 to RM1,445.3 million for the year ended December 31, 2017. The significant decrease was due mainly to the one-off gain of approximately RM1.3 billion arising from the disposal of Genting Malaysia's investment in Genting Hong Kong during 2016, of which approximately RM0.6 billion was attributable to equity holders of Genting Berhad for that year.

### **Liquidity and Capital Expenditures**

The Genting Group's capital expenditure and working capital requirements have been financed by cash generated from operations and short-term and long-term debt provided by third-party banks and debt investors.

Cash and cash equivalents of the Genting Group increased from RM29,491.9 million as of December 31, 2017 to RM30,987.9 million as of December 31, 2018.

The following table summarizes our statements of cash flows for the years presented.

	As of December 31,					
	2016		2017		2018	
	(RM millions)	(US\$ millions) <sup>(1)</sup>	(RM millions)	(US\$ millions) <sup>(1)</sup>	(RM millions)	(US\$ millions) <sup>(1)</sup>
<b>Net cash flow from/(used in)</b>						
operating activities . . . .	6,277.4	1,516.8	6,835.4	1,651.7	6,830.3	1,650.4
investing activities . . . .	(2,979.9)	(720.0)	(1,121.8)	(271.1)	(4,417.9)	(1,067.5)
financing activities . . . .	(2,054.8)	(496.5)	(175.8)	(42.5)	(1,262.4)	(305.0)
<b>Net increase in cash and cash equivalents . . . .</b>	<b>1,242.7</b>	<b>300.3</b>	<b>5,537.8</b>	<b>1,338.1</b>	<b>1,150.0</b>	<b>277.9</b>

<sup>(1)</sup> Calculated for illustrative purposes in this offering circular using a middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018 of RM4.1385 to US\$1.00.

**Cash generated from operating activities.** Net cash generated from operating activities was RM6,830.3 million in the year ended December 31, 2018 compared with RM6,835.4 million in the year ended December 31, 2017.

**Cash generated from investing activities.** Net cash used in investing activities of RM4,417.9 million for the year ended December 31, 2018 was higher than that of RM1,121.8 million in the year ended December 31, 2017. The increase arose mainly from higher amounts incurred on property, plant and equipment, primarily from the construction of the Resort.

**Cash generated from financing activities.** Financing activities during the year ended December 31, 2018 recorded a higher net cash outflow of RM1,262.4 million, compared to RM175.8 million during the year ended December 31, 2017. Cash flow from financing activities in the year ended December 31, 2017 included total proceeds of RM13,442.4 million from the issuance of medium-term notes by GENM Capital Berhad, the issuance of guaranteed notes by GOHL Capital Limited and proceeds from bank borrowings, partially offset by the redemption of perpetual capital securities by Genting Singapore which amounted to RM6,977.7 million. The total proceeds from bank borrowings and issuance of the medium-term notes amounted to RM3,775.3 million.

Total loans of the Genting Group increased from RM26,969.3 million as of December 31, 2017 to RM29,224.5 million as of December 31, 2018. The increase arose mainly from the RM2.6 billion medium-term notes issued by GENM Capital Berhad in July 2018.

The Genting Group's capital expenditure in respect of property, plant and equipment incurred during the year ended December 31, 2018 amounted to RM4,934.5 million, mainly attributable to development work relating to the GTP undertaken by Resorts World Genting and construction work relating to the Resort.

#### **Gearing Ratio as of December 31, 2018**

The gearing ratio of the Genting Group as of December 31, 2018 was 34%, compared to 32% as of December 31, 2017. This ratio is calculated as total debt divided by total capital. Total debt, which is calculated as total borrowings, amounted to RM29,224.5 million as of December 31, 2018 compared to RM26,969.3 million as of December 31, 2017. Total capital is calculated as the sum of total equity and total debt, which amounted to RM86,612.7 million as of December 31, 2018, compared to

RM84,078.2 million as of December 31, 2017. The increase in the gearing ratio for 2018 was due to the higher borrowings of the Genting Group, which arose mainly from the medium-term notes issued by GENM Capital Berhad.

#### **Liabilities and Capital Commitments as of December 31, 2018**

Total borrowings and capital commitments as of December 31, 2018 were RM29,224.5 million and RM22,189.9 million, respectively.

The following table sets out the details of borrowings as of December 31, 2018:

	<b>As of December 31, 2018</b>		
	<b>(RM millions)</b>	<b>(US\$ millions)<sup>(1)</sup></b>	<b>(%)</b>
Short-term borrowings . . . . .	4,061.0	981.3	13.9%
Long-term borrowings . . . . .	25,163.5	6,080.3	86.1%
Total borrowings . . . . .	<b>29,224.5</b>	<b>7,061.6</b>	<b>100.0%</b>

<sup>(1)</sup> Calculated for illustrative purposes in this offering circular using a middle rate of exchange of the Ringgit Malaysia against the U.S. dollar as published by Bank Negara Malaysia, the Central Bank of Malaysia, as at noon on December 31, 2018 of RM4.1385 to US\$1.00.

#### **Significant Accounting Policies**

The Genting Group prepares and publishes its financial statements in accordance with FRS for years ended December 31, 2016 and 2017 and in accordance with MFRS and IFRS for the year ended December 31, 2018. For a discussion of the Genting Group's significant accounting policies, please see the notes to the Genting Group's audited consolidated financial statements for the year ended December 31, 2018 included elsewhere in this offering circular.

## BUSINESS

### Overview

RWLV is an indirect wholly owned subsidiary of Genting Berhad, an investment holding and management company focused predominantly on the global gaming and hospitality industry. The Genting Group has a track record of over 50 years in sourcing, developing and operating casinos and integrated resorts in various parts of the world under the Resorts World and Genting brands, including some of the highest-grossing and most efficient operations in the gaming industry. To date, the Genting Group has completed approximately \$14 billion worth of developments worldwide, including two integrated resort properties that represent over \$4 billion worth of developments: Resorts World Genting in Malaysia and Resorts World Sentosa in Singapore. These resorts represent two of the largest and most profitable integrated resorts in the world, with each attracting over 20 million visitors in 2018.

RWLV is now constructing, and will own and operate, the Resort, which is expected to commence operations by the end of 2020. With over seven million square feet, the Resort will be the first integrated resort to open on the Las Vegas Strip in the last 10 years. The Resort is expected to offer approximately 3,400 hotel rooms and suites and include a multitude of gaming, convention, retail, food, beverage and entertainment amenities. We expect the property will be a unique new offering in the luxury resort market in Las Vegas, positioned to appeal to a wide array of domestic and international business and leisure guests. The Resort will be located on approximately 87 acres on the northern end of the Las Vegas Strip in Clark County, Nevada, across from the Las Vegas Convention Center expansion. The Resort is estimated to cost approximately \$4.3 billion to design, develop, construct, equip, finance and open, including a total contingency amount of \$200.0 million to cover unexpected costs.

When completed, we currently expect the Resort to feature unique and attractive modern amenities including:

- an approximately 100,000 square foot high-energy gaming floor, featuring approximately 1,750 slot machines, and approximately 170 table games, including high limit table games, Asian-themed baccarat and gaming salons, as well as a sports book area;
- a 57-story East Tower consisting of approximately 1,650 luxury suites and convention hotel tower rooms, which may be branded and managed by a Flag Hotel;
- a 57-story West Tower consisting of approximately 1,750 luxury suites and branded hotel tower rooms, which will be managed by the Genting Group and/or a Flag Hotel;
- over 320,000 square feet of restaurant and entertainment space, including over 25 food and beverage outlets;
- over 210,000 square feet of spa, health club and resort pools;
- over 75,000 square feet of state-of-the-art day club and night club space under the Zouk brand, a club whose Singapore location was named the top club in Asia and third best club in the world on the 2018 Top 100 Clubs list published by DJ Mag;
- over 300,000 square feet of meeting and conference space; and
- approximately 7,100 parking spaces.

Genting Berhad, as the parent company of RWLV, and its wholly owned subsidiary, GOHL, are providing significant credit and financial support for the Project, which is further described in this offering circular. See “Risk Factors—Risks Relating to Construction of the Project—Budget constraints could force us to alter the design of the Project, which could adversely affect our future results of

operations” and “Description of Disbursement Agreement—Termination and Amendments to Disbursement Agreement.”

### **Genting Berhad and the Genting Group**

The Genting Group was founded by the late Tan Sri (Dr.) Lim Goh Tong more than 50 years ago when it was organized to develop an integrated hospitality/casino complex in Genting Highlands, Malaysia. The parent company was first listed as Genting Highlands Hotel Berhad upon conversion to a public company in 1970 and assumed its present name of Genting Berhad in 1978. Today, the Genting Group is a globally recognized leader in gaming, leisure and hospitality, with a proven track record as a leading developer, owner and operator of integrated gaming resorts, with premier facilities in Asia, the United Kingdom, Bahamas and the United States.

Listed on the Main Market of Bursa Securities since 1971, Genting Berhad is one of the largest listed companies in Malaysia based on its market capitalization of RM23.4 billion (\$5.7 billion) as of December 31, 2018. The Genting Group had revenue of RM20,019.6 million (\$4,837.4 million) and RM20,853.0 million (\$5,038.8 million) for the years ended December 31, 2017 and 2018, respectively. During the same periods, its Adjusted EBITDA was RM7,062.6 million (\$1,706.6 million) and RM8,137.1 million (\$1,966.2 million), respectively. As of December 31, 2018, the Genting Group’s consolidated statement of financial position reflected RM30,987.9 million (\$7,487.7 million) of cash and cash equivalents and RM29,224.5 million (\$7,061.6 million) of borrowings. For a reconciliation of the Genting Group’s Adjusted EBITDA to profit, the most closely comparable FRS metric, see “Selected Historical Financial and Operating Data—The Genting Group.”

The Genting Group’s predominant business is the Leisure & Hospitality Division, which accounted for 83.2% of the Genting Group’s revenues after intersegment eliminations, and 88.0% of Adjusted EBITDA, for the year ended December 31, 2018. The Leisure & Hospitality Division includes the gaming, hotel, entertainment and amusement, tours and travel-related services, development and operation of integrated resorts and other support services and is conducted primarily through its subsidiaries Genting Singapore and Genting Malaysia.

Genting Singapore, which, as of December 31, 2018, is 52.7% owned by Genting Berhad through its wholly owned subsidiary, GOHL, operates Resorts World Sentosa, one of only two integrated resorts in Singapore. Resorts World Sentosa, which opened in January 2010 as the first integrated resort in Singapore, is located on 49 hectares on Singapore’s resort island of Sentosa. It is a leading family destination, featuring six uniquely themed hotels with more than 1,500 hotel rooms, a casino, one of the world’s largest aquariums, an aquatic park integrated with marine life, Universal Studios Singapore, a destination spa, a wide selection of MICE venues and a variety of dining, retail and entertainment options. Genting Singapore has been listed on the Main Board of the SGX-ST since December 2005 and is ranked among Singapore’s largest public-listed companies. Genting Singapore had a market capitalization of S\$11.7 billion (\$8.6 billion) as of December 31, 2018.

Genting Malaysia, which is 49.5% owned by Genting Berhad as of December 31, 2018, has been listed on Bursa Securities’ Main Market since 1989 and had a market capitalization of RM17.1 billion (\$4.1 billion) as of December 31, 2018. Genting Malaysia owns and operates:

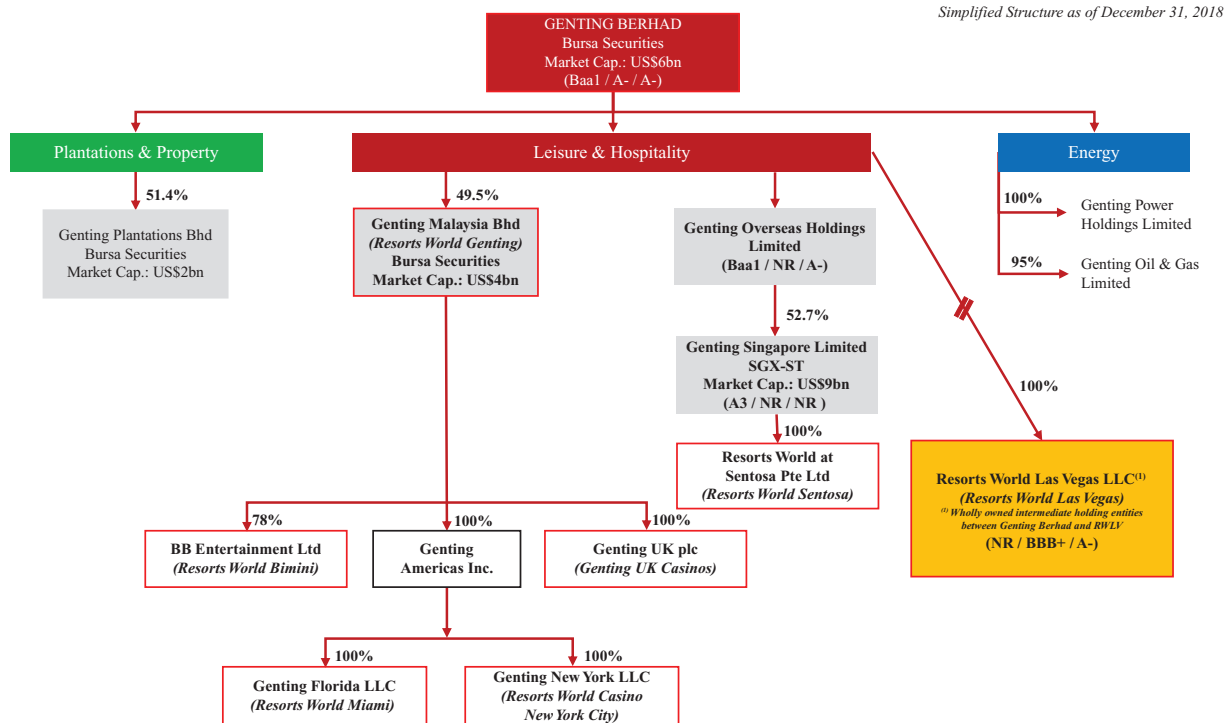
- Resorts World Genting, a premier leisure and entertainment resort in Malaysia, with the only land-based licensed casino in Malaysia. Resorts World Genting has over 10,000 rooms spread across six hotels (including the largest hotel in the world by room count), theme parks, as well as dining and retail outlets and convention facilities;
- RWNYC in the United States, a casino with approximately 6,000 video lottery terminals located at the Aqueduct Racetrack in New York. The first phase opened in October 2011 and a \$400.0 million expansion is in process;

- Over 40 casinos in the United Kingdom, including three prestigious brands in London (Crockfords, the Colony Club and The Palm Beach) and Resorts World Birmingham, which opened for business in October 2015;
- Crockfords Cairo in The Nile Ritz Carlton, Genting Malaysia's first venture into the Middle East;
- Resorts World Bimini, a 750-acre beachfront resort in the Bahamas, offering a casino, luxurious accommodations, restaurants and bars and the largest marina in the Bahamas. The 305-room Hilton hotel opened its initial phase in April 2015, while the remaining rooms and other hotel amenities opened in June 2016; and
- Two seaside resorts in Malaysia, namely Resorts World Kijal in Terengganu and Resorts World Langkawi on Langkawi Island.

In addition to the Leisure & Hospitality Division, the Genting Group is involved in the following businesses:

- The Plantations Division (which accounted for 8.5% of the Genting Group's revenues after intersegment eliminations, and 4.9% of Adjusted EBITDA, for the year ended December 31, 2018), which principally comprises cultivation of oil palms and milling of FFB into crude palm oil;
- The Power Division (which accounted for 5.1% of the Genting Group's revenues after intersegment eliminations, and 6.1% of Adjusted EBITDA, for the year ended December 31, 2018), which owns interests in power plants in India, Indonesia and China;
- The Property Division (which accounted for 1.1% of the Genting Group's revenues after intersegment eliminations, and 0.9% of Adjusted EBITDA, for the year ended December 31, 2018), which includes developing and marketing landed properties in Malaysia;
- The Oil & Gas Division (which accounted for 1.6% of the Genting Group's revenues after intersegment eliminations, and 2.9% of Adjusted EBITDA, for the year ended December 31, 2018), which conducts oil and gas exploration and development and production activities in Indonesia and China; and
- Investments & other activities (which accounted for 0.5% of the Genting Group's revenues after intersegment eliminations, and (2.8)% of Adjusted EBITDA, for the year ended December 31, 2018), which includes investments in life sciences and the biotech sector.

The Genting Group has more than 400 subsidiaries and other consolidated entities. The following diagram summarizes the Genting Group's corporate structure:



***Proven track record in developing and operating integrated resorts in highly regulated markets, underpinned by an experienced senior management team***

The Genting Group has a track record of over 50 years relating to sourcing, developing and operating integrated resorts in various parts of the world, including in highly rated and regulated jurisdictions such as Malaysia, Singapore, the United Kingdom and the United States. To date, the Genting Group has completed all projects (other than the Resort, where construction is still ongoing) successfully, without any cancellation or suspension, and has market-leading positions in each market that the Genting Group operates in, due to its commitment to achieving operational efficiencies and property improvements.

This proven track record is driven by the Genting Group's strong and experienced senior management team led by the founder's son, Tan Sri Lim Kok Thay, Genting Berhad's Chairman and Chief Executive, who joined the Genting Group in 1976. Tan Sri Lim and the senior management team collectively have many decades of experience in the leisure, hospitality, and gaming business, having navigated through the 2007-2008 credit crisis and successfully expanded the Genting Group's Leisure & Hospitality Division into several new markets in the last 10 years, most notably the development of the following properties:

- Resorts World Sentosa, Singapore, which opened in 2010, following a construction period of 34 months;
- RWNYC, United States which opened in 2011;
- Resorts World Bimini, Bahamas, which opened in April 2015; and
- Resorts World Birmingham, United Kingdom which opened in October 2015.

Additionally, a comprehensive Nevada casino licensing process has already been undertaken by the Genting Group, certain of its directors and key officers and each of the intermediate holding companies of RWLV, including successful preliminary and renewed preliminary findings of suitability. Specifically, Nevada Gaming Authorities have already issued relevant findings of suitability for certain officers and directors of Genting Berhad and its subsidiaries, including Tan Sri Lim Kok Thay, Tan Kong Han and Chong Kin Leong. Genting Berhad is also approved as a publicly traded corporation by the Nevada Gaming Commission.

In addition to obtaining such Nevada registrations and suitability findings, Genting Berhad, the relevant entities holding or operating gaming businesses, as well as the relevant directors and senior management have been found suitable and licensed under gaming regulations and laws in several other jurisdictions and are subject to relevant obligations thereunder, including by the Singapore CRA, the Gaming Board for the Bahamas and the New York State Gaming Commission (formerly the New York Lottery). For example, Genting Berhad, GOHL and all of its directors and key senior management have periodic and ad hoc reporting obligations to the Singapore CRA. Any non-compliance with reporting obligations, gaming regulations or laws exposes Genting Berhad, the relevant entities holding or operating gaming businesses, as well as the relevant directors and senior management to potential penalties, sanctions and/or a review of findings of suitability or licenses issued.

#### ***Premier branding with global clientele database***

The Genting Group has prominent and established integrated resorts under the “Resorts World” and “Genting” name brands with strong brand recognition, particularly in the Asian market. The Genting Rewards loyalty program, which is implemented across all the Genting Group properties as well as those under its affiliate, Genting Hong Kong, has a valuable customer database comprising over 12 million members from around the world. To the extent permitted by the relevant laws, the Genting Group cross-markets its products and services via the Genting Rewards Alliance to implement new business opportunities effectively. The Genting Group believes that the underlying strength of its branding coupled with continued marketing initiatives targeting the Genting Group’s and Genting Hong Kong’s existing clients will help drive traffic to the Genting Group’s new integrated resort developments, including the Resort.

#### **Credit and Financial Support from Investment Grade Parent and Investment Grade Affiliate**

In addition to benefitting from the management, development and marketing support provided by the Genting Group, RWLV will also receive significant credit and financial support from Genting Berhad and its wholly owned subsidiary, GOHL under the Keepwell Deed, the Change Order Funding Agreement, the Debt Service Funding Agreements and the Key Money Funding Agreement summarized below, as well as the other agreements described under “Description of Keepwell Deed and Funding Agreements—Additional Funding Agreements Relating to the Senior Secured Credit Facilities.”

As of the closing of this offering, Genting Berhad and its wholly owned subsidiaries will have invested an aggregate of approximately \$1.75 billion of equity in RWLV, including an aggregate amount of approximately \$516.1 million to be invested in RWLV by Genting Berhad through certain of its subsidiaries pursuant to the Closing Date Equity Contribution.

Upon the closing of this offering, Genting Berhad will enter into the Keepwell Deed with RWLV, the Trustee and the Administrative Agent under RWLV’s new Senior Secured Credit Facilities, as more fully described under “Description of Keepwell Deed and Funding Agreements—The Keepwell Deed.” The key provisions of the Keepwell Deed include, among others, that Genting Berhad will agree to: (1) maintain direct or indirect ownership or control of more than 50% of the equity, ordinary voting power or general partnership interests of RWLV or maintain RWLV as an entity whose financial



statements, in accordance with generally accepted accounting principles, are consolidated with those of Genting Berhad; and (2) ensure that RWLV's Consolidated Net Worth (as defined below under "Description of Keepwell Deed and Funding Agreements—The Keepwell Deed") as of the last day of each fiscal quarter shall be at least \$300.0 million. The Keepwell Deed does not constitute a guarantee by Genting Berhad of the obligations of the Issuers or the guarantors under the notes or the guarantees. See "Description of Keepwell Deed and Funding Agreements—The Keepwell Deed" and "Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees."

Upon the closing of this offering, GOHL will enter into the Change Order Funding Agreement, the Debt Service Funding Agreements and the Key Money Funding Agreement. The key terms of the Change Order Funding Agreement include, without limitation, that GOHL will agree to fund, from the closing of this offering until the Completion Date, an amount equal to the aggregate sum of all Change Order Funding Gaps minus the aggregate sum of all amounts funded pursuant to the Change Order Funding Agreement prior to such time, to the extent that the funding of such amount is required to cause the Project to satisfy the "in balance" test under the Disbursement Agreement. GOHL will agree to fund the Change Order Funding Obligations into the Borrower Funds Account at any time prior to the Completion Date, (a) with respect to each Change Order Funding Gap created by such a material change, on or prior to the date of the first borrowing under the Revolving Credit Facility after such material change the proceeds of which will be used to pay Project Costs, in an amount equal to (i) the lesser of (x) 50% of the amount of such Change Order Funding Gap and (y) the amount necessary to cause the "in balance" test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing, there would be at least \$50.0 million of undrawn commitments under the Revolving Credit Facility and (ii) the lesser of (x) 100% of the Change Order Funding Obligations at such time and (y) the amount necessary to cause the "in balance" test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing there would be less than \$50.0 million of undrawn commitments under the Revolving Credit Facility and (b) if at any time: (i) the Project is not "in balance" under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be "in balance" within 30 days, (ii) the funds in RWLV's accounts subject to the Disbursement Agreement have been exhausted, (iii) there are less than \$50.0 million in remaining undrawn commitments under the Revolving Credit Facility, (iv) the Change Order Funding Obligations exceed zero and (v) Project Costs are then due and payable, in an amount equal to the lesser of (x) the Project Costs due and payable at such time, (y) the Change Order Funding Obligations at such time and (z) such amount as is necessary to cause the "in balance" test under the Disbursement Agreement to be satisfied at such time.

The key terms of the Debt Service Funding Agreements include, without limitation, that during the Funding Period GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee's administrative fees that become due and payable under the notes and the indenture, and all accrued and unpaid interest and principal and fees that become due and payable under the Senior Secured Credit Facilities, in each case, during the Funding Period. See "Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements."

The key terms of the Key Money Funding Agreement include, without limitation, that GOHL will agree to fund into the Borrower Funds Account the lesser of (x) the Project Costs then due and payable and (y) up to \$75.0 million of anticipated "key money" to the extent that RWLV and its subsidiaries do not receive, and do not enter into definitive management and/or franchise agreements providing for the payment by the Flag Hotels of, at least \$75.0 million of "key money" on or prior to a date that RWLV reasonably anticipates will occur no later than 225 days after the Opening Date and the funding of such amount is required to cause the Project to be "in balance" under the Disbursement Agreement (such amount required to be funded by GOHL, the "Key Money Funding Obligation"),

which amount GOHL will be required to pay from and after the date that is 225 days following the Opening Date (i) in the event that the Completion Date has not occurred, (ii) the Project is not “in balance” under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be “in balance” within 30 days, (iii) the funds in RWLV’s accounts subject to the Disbursement Agreement have been exhausted, (iv) there are less than \$50.0 million in remaining undrawn commitments under the Revolving Credit Facility, (v) the Key Money Funding Obligations exceed zero and (vi) Project Costs are then due and payable. See “Description of Keepwell Deed and Funding Agreements—The Key Money Funding Agreement.”

Genting Berhad has the highest credit rating by S&P of any casino gaming or hospitality group globally, with a very strong balance sheet and robust and diversified cash flows. Since 2004, Genting Berhad has maintained an investment grade rating from S&P and Moody’s, and since 2007, from Fitch. Genting Berhad is currently rated Baa1 by Moody’s, A- by S&P and A- by Fitch, with stable outlook from all three rating agencies.

GOHL holds 52.7% of the equity shares of Genting Singapore, 100% of GOHL Capital Limited and 100% of Genting Property Limited. GOHL has no other operations and has no employees and is managed by Genting Berhad. For the year ended December 31, 2018, GOHL received S\$222.4 million (\$162.9 million) in dividends from Genting Singapore. GOHL is rated A- by Fitch and Baa1 by Moody’s.

Genting Berhad and GOHL are not obligors under the notes, and are not providing guarantees of the obligations of the Issuers or the guarantors under the notes. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

## **Las Vegas Market**

### ***Overview***

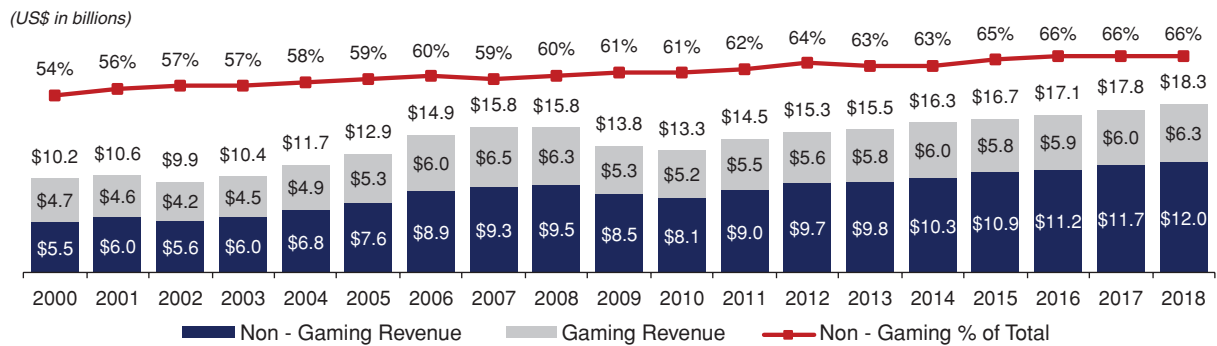
According to the American Gaming Association, Las Vegas has the highest casino gaming revenue of any market in the United States. Las Vegas evolved over the last several decades from a pure gaming/casino environment to an entertainment and convention destination with a wide array of amenities, leisure activities and high-end retail outlets. We believe this trend is continuing into 2019 and beyond, as multi-billion dollar non-gaming projects gain momentum and work towards finalizing development plans and completing construction. As the evolution of Las Vegas continues from a gaming market to an entertainment and convention destination, casino operators and Las Vegas developers have shifted their focus to providing customers with non-gaming amenities and facilities.

### ***Visitor Volume and Overall Market Revenue***

The increasing popularity of Las Vegas as a vacation destination has led to an increase in visits from gaming, leisure and business customers. According to the LVCVA, annual visitor volume grew from 35.8 million in 2000 to approximately 42.1 million in 2018. During this same period, aggregate Las Vegas Strip revenues grew from approximately \$10.2 billion to approximately \$18.3 billion, as Las Vegas Strip operators transitioned away from a gaming-centric business model to operations with a greater reliance on room rate, entertainment, food & beverage and retail. We expect that the convention and transient hotel businesses will continue to be the key drivers for the Las Vegas Strip, supported by increased airline seat capacity through the expansion of the McCarran Airport. See “—Las Vegas Continues to Benefit from McCarran International Airport’s Expansion Plans.” Between 2000 and 2018, the Las Vegas Strip non-gaming revenue grew from 54% of total revenue to 66% of total revenue. The opening of the Resort on the Las Vegas Strip will allow the Genting Group to expand on

the concept of the integrated resort, combining it with leading technology trends in the hospitality industry.

### Las Vegas Strip Historical Gaming and Non-gaming Revenues



Source: UNLV Center for Gaming Research.

There are several notable projects under development in Las Vegas that highlight the strong non-gaming momentum. The Las Vegas Convention Center’s \$1.4 billion expansion will expand the existing 3.2 million square-foot facility by 1.4 million square feet with the addition of exhibit, meeting and pre-function spaces. Phase 1, consisting of the land acquisition and demolition, is complete. Phase 2, which broke ground in January 2018, will result in a 1.4 million square foot expansion, including 600,000 square feet of new exhibit space, with a targeted completion by 2021. Phase 3 includes a complete renovation of the existing 3.2 million square-foot facility with a target completion by 2023. The sequenced plan is intended to assure that at least 1.9 million square feet will be available for trade shows and conventions at all times during the construction project. Additionally, the National Football League’s Oakland Raiders are scheduled to move to a new \$1.9 billion stadium in Las Vegas in 2020, and Madison Square Garden has broken ground on a new 18,000-seat music arena at The Venetian.

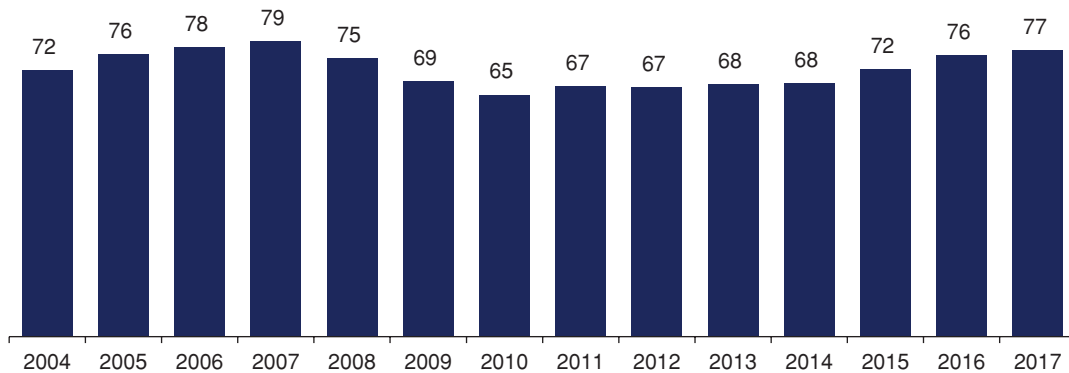
### Las Vegas Continues to Benefit from McCarran International Airport’s Expansion Plans

Visitors to Las Vegas arrive primarily by air, historically representing over 46% of the total visitations, versus other modes of transportation, including automobiles, buses and recreational vehicles. Passenger traffic at McCarran Airport increased 2.5% in 2018 to 49.7 million passengers exceeding the previous peak of 48.5 million in 2017.

McCarran Airport’s \$2.4 billion Terminal 3, completed in 2012, increased capacity for international routes, resulting in notable growth in the number of visitors from Europe, Canada and Asia over the last three years. Total number of international visitors to Las Vegas arriving via air increased by 0.9% in 2017 to 1.8 million. The introduction of direct flights from Beijing, starting in December 2016, drove a 54.4% increase in Asian direct flight traffic to Las Vegas in 2017.

## Scheduled Airlines Average Daily Seat Capacity

(Seat Capacity in thousands)



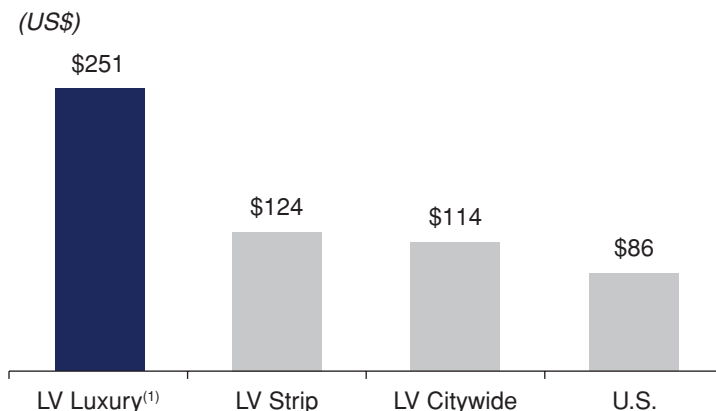
Source: Clark County Marketing Bulletin—2017 Year-End Summary Volume 45—Number 166.

In October 2018, McCarran Airport saw 4.44 million passengers for the month, an all-time record, breaking the previous record set just three months earlier. In October 2018, Union Gaming Analytics estimated that the airport could support a run-rate of up to 56.0 million annual passengers, which is 6.3 million higher than what was recorded in 2018. This equates to 3.2 million incremental arrivals, of which roughly 80%, or 2.6 million, represents the number of incremental visitors, assuming 20% of arrivals are either connecting in the airport or live in Las Vegas.

### *Hotel Market Poised for Growth*

Las Vegas has one of the strongest and most resilient hotel markets in the country. Major properties on the Las Vegas Strip opened over the past twenty years include Bellagio, Wynn Las Vegas & Encore Resort, The Venetian and Palazzo, City Center and The Cosmopolitan of Las Vegas. Following the decades-old trend in Las Vegas, these newer, luxury, top tier properties continue to command significantly higher prices. RevPAR, which we calculate as the product of a hotel's average daily room rate and its occupancy, for luxury properties on the Las Vegas Strip is approximately twice the overall Las Vegas Strip average.

## 2018 Revenue Per Available Room



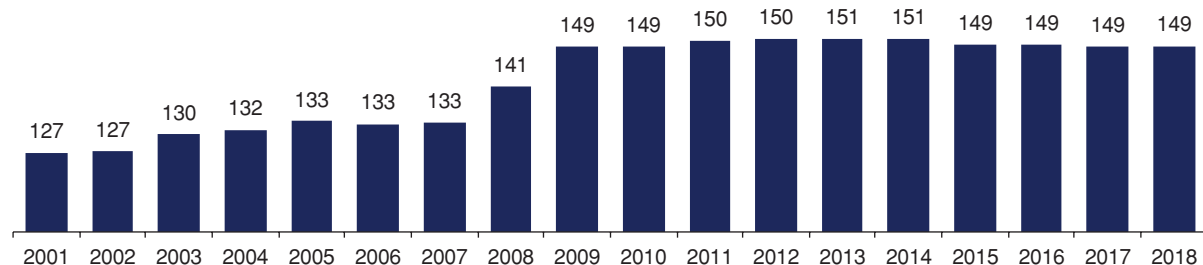
<sup>(1)</sup> LV Luxury represents the median of publicly reported RevPAR of Aria, Bellagio, Venetian/Palazzo and Wynn/Encore, our luxury peers.

Sources: HVS Hotel Valuation Index and Genting Berhad's public filings.

The hotel market is further supported by a favorable supply scenario over the next few years. Las Vegas experienced a two-year boom in citywide room supply after occupancy reached its peak in 2007 at 90.4%. Since then, the level of supply has not increased meaningfully and has remained in a range of 149,000 to 151,000 rooms, reaching 149,158 as of December 2018. In October 2018, Union Gaming Analytics estimated that the overall supply of rooms over the next five years will grow by only 5.3%, which we believe, coupled with historically high growth in visitation to Las Vegas, will result in strong levels of occupancy and notably higher room rates.

## Las Vegas Citywide Room Inventory

(Keys in thousands)



Source: LVCVA.

We do not expect major increase in future room supplies until late 2020 or 2021. Other than rooms added by the Resort, the JW Marriott-managed The Drew Las Vegas resort and casino is expected to open in late 2020 and is estimated to have 3,800 rooms.

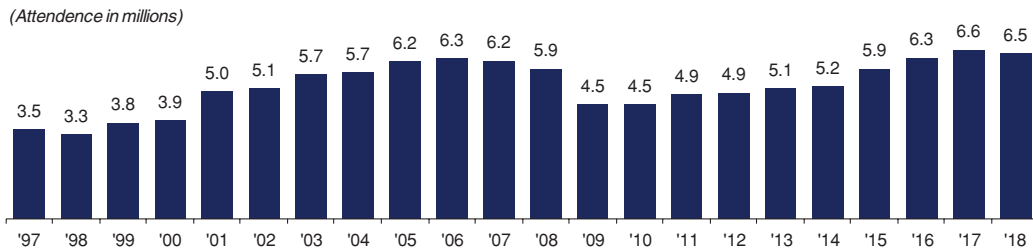
## Conventions and Trade Shows

Conventions and trade shows have significantly impacted visitor volume and aggregate Las Vegas Strip revenues over the last two decades. Trade shows in particular require substantial amounts of space for exhibition purposes and participant circulation. Las Vegas offers conventions and trade shows a

unique infrastructure for handling the world’s largest gatherings. Las Vegas has the most exhibit space of any city in the nation and the largest base of hotel rooms. Approximately 11.3 million square feet of meeting and exhibition space is available in the Las Vegas area, with one of the largest single-level convention facilities in the United States, the Las Vegas Convention Center, containing approximately 3.2 million square feet of meeting space.

According to the LVCVA, from 2009 to 2018, Las Vegas convention attendance experienced a compound annual growth rate of approximately 4.2%, from 4.5 million to 6.5 million, exceeding the pre-recession peak of 6.3 million attendees in 2006.

### Historical Las Vegas Convention Attendance



Source: LVCVA.

We believe the recent increases in visitor volume, gaming and non-gaming revenues, hotel occupancy rates and convention attendance described above represent favorable trends that will benefit the development of the Resort. Additionally, the Resort is located across the street from the expansion site for the Las Vegas Convention Center, the nation’s largest convention facility. See “—Our Key Strategies—Capitalize on Proximity to Las Vegas Convention Center and Sands Expo and Convention Center.”

### Resorts World Las Vegas

Slated to be the first new integrated resort on the Las Vegas Strip in more than a decade, we expect for the Resort to benefit from the extensive development experience that the Genting Group has achieved while expanding the Group’s footprint over the last 50 years. The Resort will offer a wide variety of segmented programming, catering to the average domestic customer base as well as high-end, international clientele. The opening of the Resort on the Las Vegas Strip will allow the Genting Group to expand on the concept of the integrated resort, combining it with leading technology trends in the hospitality industry.

#### *The Arrival*

Integrated resorts are designed to cater to both non-gaming and gaming guests, offering a wealth of amenities and experiences that can be tailor-made to customer interests. Similar to our sister integrated resort properties located around the world, the Resort will introduce a non-traditional Las Vegas sense of arrival. The Resort will provide nine different entrances for guests, only one of which will require that patrons enter through the casino. The Genting Group’s development philosophy for Las Vegas as well as overseas is that the casino is one of several key resort amenities in addition to our hotels, conference center, food and beverage outlets, retail, entertainment venues, and night and day clubs. The Resort will offer a state-of-the-art gaming and casino experience while also catering to a new breed of Las Vegas customers who are looking for an entertainment experience that is not centered on gaming.

### *Our Hotel Towers*

The Resort's 57-story East and West hotel towers will contain approximately 3,400 hotel rooms and suites on top of a three-story podium, which will house restaurants, entertainment venues, retail outlets and the casino. Within the property, we expect to introduce four unique, branded hotel experiences, which are segmented to deliver custom experiences depending on the patron's booking preference and invited guest status. Unlike most large Las Vegas properties that have a single hotel brand and customer entrance, we will offer unique and differentiated experiences with separate porte cocheres, dedicated lobbies, dedicated elevators, dedicated rooms and dedicated staff to service each brand. Some resort amenities will be shared among the different customers, such as a pool deck and fitness and spa areas, while others will be more exclusive for specific patrons, including certain restaurants, bars and executive lounge areas.

Within the East Tower, the Resort is expected to house two separate hotel brands: a luxury suite room product and a convention hotel room product. The luxury suites are designed to be between 1,000 square feet and 8,000 square feet with personal concierge service as well as butlers for qualified individuals. These suites will cater to our best gaming and non-gaming patrons with luxury experiences that the Genting Group is known for worldwide. Suite guests will have direct, private access to our spa, retail, restaurants, entertainment and casino venues. The remainder of the East Tower rooms will be positioned to cater to convention guests with access to the Resort's internal meeting rooms and convention space. In addition, the East Tower is closest to Las Vegas Boulevard, which will allow these guests to more easily access off-site conferences and events at the Las Vegas Convention Center across the street, the Wynn Convention Center and the Sands Convention and Expo Center nearby.

The West Tower is also expected to house two separate hotel brands: a luxury suite room product and a resort hotel room product. The West Tower suites are expected to be between 750 square feet and 5,000 square feet, with service levels similar to those in the East Tower luxury suites. The West Tower's resort hotel rooms will be positioned to also target convention guests and frequent independent travelers. The West Tower will have the closest proximity to the Resort's Convention Center and on the southern side of the building will have premium views of the Las Vegas Strip. We expect the East Tower and all or a portion of the West Tower to be branded and managed by one or more of the Flag Hotels, each of which has a large pool of existing loyalty members in its database. However, due to the non-binding nature of the letters of intent we have entered into with the Flag Hotels, we cannot assure you that the Flag Hotels will manage all or any part of either the East Tower or the West Tower, or that we will enter into definitive agreements with any of the Flag Hotels. See "Risk Factors—Risks Relating to Construction of the Project—There is no assurance that our letters of intent with third parties to manage the hotel rooms in one or both of our hotel towers will result in definitive agreements. We intend to finance a portion of the Project construction costs with key money being offered by the Flag Hotels, which may be unavailable if we fail to enter into definitive agreements with such parties."

### *The Casino*

We expect the Resort to have approximately 100,000 square feet of gaming space primarily located in the center of the first level of the low-rise building. The high-energy casino is designed with well-defined pathways, providing our patrons with easy access to the casino, but also to the surrounding non-gaming amenities, which we expect will receive significant induced revenue from gaming customers.

The casino areas are expected to contain approximately 170 table games and approximately 1,750 slot machines, a race, sports and sportsbook area, and a poker room. There will be high limit gaming experiences for both domestic and international VIP casino guests. The high limit areas will offer baccarat, blackjack and roulette, high denomination slot machines, as well as private lounges for dining or lounging. In addition, these high limit areas will provide butler service to cater to our best patrons' individual preferences. We intend to leverage Genting Rewards, the Genting Group's customer loyalty program, which currently has over 12 million members, including approximately 1.4 million in North America alone, to drive traffic to the Resort.

### ***Convention and Meeting Space***

The Convention Center at the Resort has been designed with flexible and versatile public spaces, unencumbered high ceilings and state-of-the-art technology. The MICE space is expected to contain approximately 300,000 square feet of convention and meeting space, including approximately 50,000 square feet of pre-function space. There will be two primary ballrooms: the Grand Ballroom will be a large clear span ballroom of approximately 100,000 square feet and the smaller ballroom will be approximately 35,000 square feet. Each ballroom will be divisible into smaller spaces. Additionally, there will be dedicated meeting breakout spaces, allowing for numerous, simultaneous meetings. The Convention Center space will be equipped with a business center and various kitchens to provide full service catering.

### ***Numerous Restaurants, Lounges and Bars***

We expect the Resort to offer over 25 food and beverage outlets. This wealth of food and beverage will allow for prompt service for both in-house and local guests. We will leverage our experience developing and operating numerous food and beverage outlets in our sister properties with unique, first-to-market concepts imported from leading markets around the world. Historically, the Genting Group has often partnered with celebrity and/or Michelin star chefs to enhance guest experiences. RWLV will own and operate many of the venues, but intends for various third parties to lease space and augment company-owned venues.

### ***Iconic Zouk Nightclub and Dayclub***

We plan to host the Zouk nightclub in a unique architectural feature on the property—The Crystal Ball—which we believe will be one of Las Vegas' iconic and premier attractions. The Zouk Crystal Ball will be located on the southeastern most corner of our property, on Las Vegas Boulevard. The 100-foot high, clear spherical dome will be the main entrance to our Resort from the Wynn Resorts pedestrian bridge and Las Vegas Boulevard pedestrian traffic and will feature a 50-foot high reflective LED globe as the entry feature on the ground floor. On the upper floors, there will be the multi-purpose Zouk nightclub area, which is expected to include movable LED screens to modulate the day and nighttime experiences. There will be separate and distinctive venues for day and night club-goers, with VIP rooms in each club. We intend for this nightclub space to be unlike any other in the world.

The Zouk brand, owned by Genting Hong Kong, was established in Southeast Asia over 20 years ago and has successfully launched in Singapore, Malaysia and our affiliates' cruise lines, through Resorts World at Sea. In 2018, Zouk's Singapore location was rated the top club in Asia and third best club in the world, according to the Top 100 Clubs list published by DJ Mag. Zouk is expected to directly manage the nightclub space.

### ***Pool Deck, Spa and Fitness Complex***

The Resort is expected to feature the largest pool deck in Las Vegas, offering hotel and paying patrons up to four unique pool experiences: a main pool with access to a poolside grill, a family style



pool, a cabana experience with a plunge pool and a VIP secluded private cabana and infinity pool overlooking the Las Vegas Strip. The Resort will also include an approximately 42,000 square-foot world-class spa, salon and fitness complex which will offer high-end spa treatments, fitness equipment and branded skin products.

### ***Parking***

The Resort is expected to have two parking structures with approximately 7,100 parking spaces and convenient valet services. The garage is expected to provide safe and easy access to the property and parking for our employees. It will also feature a dedicated entry off Sammy Davis Jr. Drive, a convenient entry point for local customers.

### **Our Key Strengths**

#### ***Strong Sponsorship with Significant Equity Investment and Credit Support***

As of the closing of this offering, Genting Berhad and its wholly owned subsidiaries will have invested an aggregate of approximately \$1.75 billion of equity in RWLV, including an aggregate amount of approximately \$516.1 million to be invested in RWLV by Genting Berhad through certain of its subsidiaries pursuant to the Closing Date Equity Contribution.

Additionally, Genting Berhad and GOHL are providing significant credit and financial support for the Project in the forms of the Keepwell Deed, the Change Order Funding Agreement, the Debt Service Funding Agreements, the Key Money Funding Agreement and the other agreements described under “Description of Keepwell Deed and Funding Agreements—Additional Funding Agreements Relating to the Senior Secured Credit Facilities,” evidencing their strong commitment to the success of the Project. In addition to these investments, the Resort will benefit from the Genting Group’s significant experience and long track record of developing and operating successful and highly profitable integrated resorts around the world.

#### ***Located on Prime Real Estate on the Las Vegas Strip***

The Resort is situated on approximately 87 acres on the north end of the Las Vegas Strip, at the northwestern corner of Las Vegas Boulevard South and Resorts World Drive. With 1,523 feet of Strip frontage and direct pedestrian access from the Las Vegas Strip, the Resort is being built on one of the largest undeveloped parcels left on this famed entertainment avenue. Existing properties and attractions in close proximity to our site include: (a) the 3.2 million square-foot Las Vegas Convention Center, which is expected to be the largest single-level convention center in the world upon completion of its pending expansion; (b) Wynn Las Vegas & Encore Resort, currently the highest-grossing casino complex in the Las Vegas market; (c) the Sands Expo and Convention Center, part of The Venetian / Palazzo Las Vegas resort complex; (d) the 2 million square-foot, 250-store Fashion Show Mall, which

attracts over 10 million visitors annually; and (e) the new JW Marriott-managed The Drew Las Vegas resort and casino, which is currently under construction.



#### ***Genting and Resorts World are Globally Recognized Brands***

Genting has become a well-known brand over the past 50 years, not only in Asia, but also in global feeder markets to Las Vegas. In the last two decades, the Genting Group has pursued an aggressive international growth strategy, which has increased awareness of the Genting Group brand names. In 2006, the Genting Group successfully acquired Stanley Leisure plc in the United Kingdom and was also granted one of the two integrated resort licenses in Singapore; Resorts World Sentosa opened in 2010 and is one of the highest-grossing casino resorts in the world. In 2011, the Genting Group opened its first wholly owned North American property, RWNYC, a casino which contains approximately 6,000 video lottery terminals and is one of the highest producing slot floors in the world. The Resort, which will be the Genting Group's flagship property in the United States, represents the next major growth initiative and an important geographic diversification for the Genting Group.

#### ***Genting Group's Proven Success in Delivering a Premium Experience***

The Genting Group is known globally for its premium products, developing and providing unique guest experiences with a high level of unobtrusive and private service. Unique experiences extend to dining, where the Genting Group has often partnered with celebrity and/or Michelin star chefs, as well as shopping, with premium outlet malls. VIP patrons will have access to a fleet of private jets and will be entitled to receive private butler services, premier seating at all food and beverage outlets, and exclusive access to entertainment venues within our facilities. To address our VIP patrons' transportation needs, RWLV also intends to provide on-call 24-hour limo service.

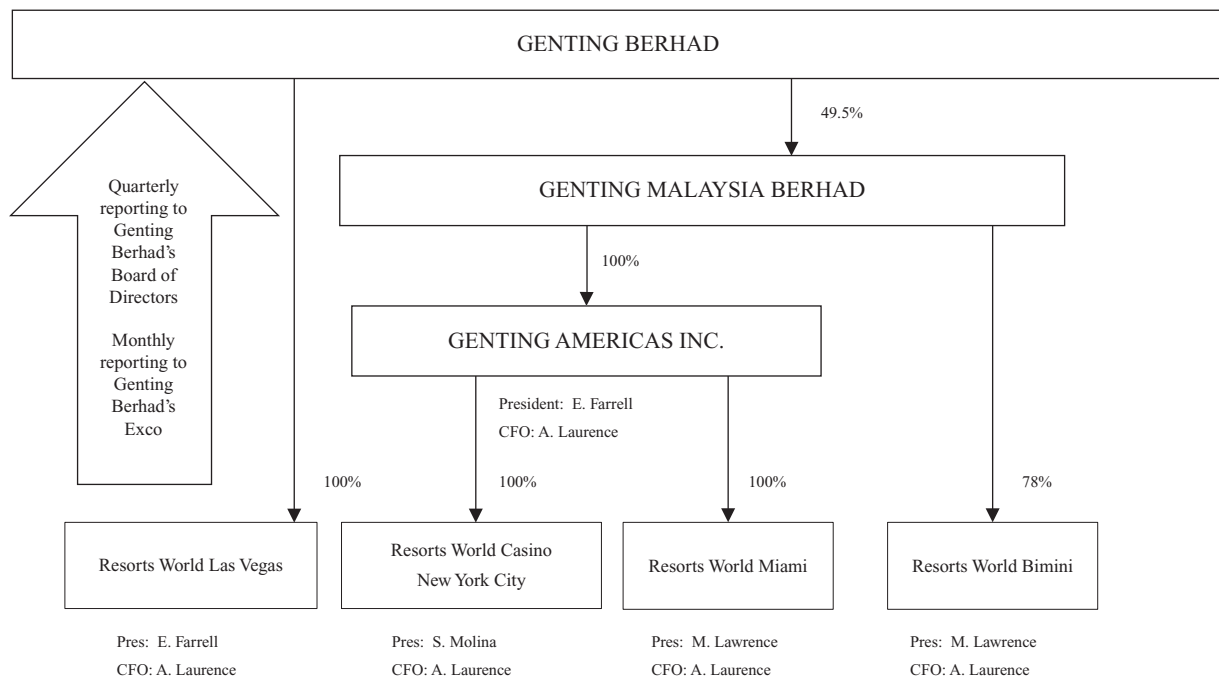
#### ***Our Project is a Later-Stage Development with Reduced Construction Risk***

The Resort is currently fully mobilized and under construction, which mitigates several elements of project risk, such as construction delay, real estate and financing risk. The most complicated elements, such as the foundation and platform, have already been constructed. As of March 1, 2019, concrete work is complete up to level 46 of the West Tower and up to level 43 of the East Tower. Additionally, as of March 1, 2019, 80% of the podium steelwork has been completed. More than 1,570 construction workers were on site as of March 1, 2019 and that number is expected to increase through project completion.

Execution risk is further mitigated through a \$2.8 billion guaranteed maximum price construction contract with W.A. Richardson, a construction firm in Las Vegas with significant experience in integrated resort development. As of February 28, 2019, over \$900.0 million of contracts, or 36% of the total contract value within the guaranteed maximum price, was already subcontracted. In addition, a third-party construction consultant, CBRE, has been retained on behalf of the noteholders and the lenders to oversee both the draws on the construction loan and adherence to the construction timeline and, subject to any waivers in accordance with the terms of the Disbursement Agreement, approve all disbursements from the Notes Proceeds Account and Loan Proceeds Account. See “—Design, Development and Construction—Construction Consultant.” We are currently targeting the opening of the Resort by the end of 2020.

***Managerial Support and Oversight by Genting Berhad and its Subsidiaries***

RWLV is currently managed by the senior executive team of Genting Americas, including a common President and CFO, and is governed by the board of directors of Genting Assets, which currently includes certain members of Genting Berhad’s senior executive team. Genting Berhad has ultimate approval authority over the strategic and spending decisions made in connection with the Project, including scope, overall budget and financing plans. In turn, the RWLV Project Committee awards contracts for the Project within the scope and budget approved by Genting Berhad. The corporate support team of Genting Berhad, including its legal, finance and corporate finance groups, review significant contracts, accounting journal entries and funding requests.



***Proven RWLV Development and Management Team***

We have assembled a strong management team with extensive development and operating experience in the United States and Asia. The management team members possess, on average, 23 years of experience across luxury real estate development, brand marketing and operations at leading gaming companies such as Mirage Resorts, MGM, Las Vegas Sands, Caesars, Wynn Resorts and others across the Genting Group. The RWLV management team is led by Edward Farrell, appointed President of Genting Americas in 2015 and RWLV in 2017. Mr. Farrell has worked in the

casino industry for over 30 years. During the course of his career, he has held a variety of leadership positions, primarily in casino operations and finance, and has worked in the Nevada, Mississippi, Connecticut and New York casino markets. He has participated in the opening of several casino properties including the Mirage in Las Vegas, Nevada, the Grand Casino in Gulfport, Mississippi, the Treasure Bay Casino in Biloxi, Mississippi, and RWNYC in New York, New York. Prior to joining Resorts World, he was Senior Vice President of Finance for Foxwoods and MGM at Foxwoods in southern Connecticut. He also worked for Jack Binion's Horseshoe Casino in Tunica, Mississippi. After the acquisition of Horseshoe by Harrah's, he held the role of Regional VP of Finance for the Mid-South Region of Harrah's Entertainment, where he had financial responsibility for three casinos. Along with his financial experience, he has held casino operational roles with Treasure Bay, Horseshoe and Harrah's, during which time he managed the Table Games, Slots and Customer Development departments as well as various non-gaming departments.

The RWLV team is also complemented by Aviv Laurence, who was appointed Chief Financial Officer of both Genting Americas and RWLV in 2017. Mr. Laurence is responsible for leading the financing efforts and overseeing the Finance and Accounting Department for the North American operations of the Genting Group. He has over 28 years of investment banking, finance and accounting experience. He joined Genting Americas in 2015 as Senior Vice President of Corporate Finance. Prior to joining Genting Americas, Mr. Laurence spent over 16 years as an investment banker with various Wall Street firms including Salomon Smith Barney, Citigroup, Merrill Lynch, Bank of America Merrill Lynch, Citadel Securities and Wells Fargo Securities. He worked in both the Audit and Tax Departments of Deloitte during his 6 years at the firm. As an investment banker, Mr. Laurence structured and led more than 125 investment banking transactions worth over \$60 billion and completed more than 25 construction-related financings worth over \$10 billion.

Management's unique combination of disciplines and skill sets serve as a strong foundation on which to build a highly profitable, global integrated resort and gaming business. For example, Mr. Farrell was part of the executive management team that opened the highly successful RWNYC property in October 2011. Mr. Farrell was later appointed President of the RWNYC property and oversaw the casino's most significant growth phase from 2013 to 2015, to become one of the highest-grossing slots floors in the world, with gross slot revenue of approximately \$850.0 million in 2018, attracting approximately 10 million visitors annually. RWNYC and Empire City Casino are the only two local casinos licensed to serve the New York City metropolitan area, and each has more than 5,000 positions. Nevertheless, in 2018, RWNYC commanded a significant 59% to 41% market share advantage (based on Total Net Win) over Empire City Casino, in part due to the success of Resorts World's Asian gaming strategy, as well as their successful management philosophy.

## **Our Key Strategies**

### ***Overview***

Our experienced management team's strategy is to develop a must-see integrated resort, appealing to the growing number of Las Vegas visitors and conventioners, with a high level of discretionary income and a desire for luxury and aesthetic quality. This strategy extends from the core domestic visitor market to international clientele from the Genting Group's extensive customer database.

### ***Capitalize on Proximity to Las Vegas Convention Center and Sands Expo and Convention Center***

The Resort is located across the street from the expansion site for the Las Vegas Convention Center, the nation's largest convention facility with approximately 3.2 million square feet of total convention space, including more than 2.0 million square feet of exhibition space and 145 meeting rooms. According to the LVCVA, in 2017, Las Vegas hosted over 21,000 conferences, conventions and meetings, including two of the largest Las Vegas trade shows, CES and SEMA, and in 2018,

approximately 6.5 million people attended conferences and conventions in Las Vegas. In June 2017, the LVCVA's board of directors approved a \$1.4 billion expansion and renovation of the Las Vegas Convention Center. The 1.4 million square-foot expansion will include 600,000 square feet of new exhibit space, targeted to open by 2021, and the complete renovation of the existing 3.2 million square-foot facilities, targeted to be completed by 2023. The sequenced plan is intended to ensure that at least 1.9 million square feet of space is available for trade shows and conventions during the construction period to minimize disruption. Once complete, the expansion project is expected to attract more than 600,000 additional convention attendees each year.

In addition to the Las Vegas Convention Center, the Sands Expo and Convention Center is located adjacent to The Venetian and will be within walking distance of the Resort. This convention center contains approximately 1.2 million square feet of meeting and exhibition space. As two of the largest convention facilities in the country are located near the site of the Resort, we expect convention customers to be a major source of room demand during mid-week periods when demand from leisure travelers is typically lower.

#### ***Utilize Genting Rewards' 12 Million Member Global Database to Drive Traffic to the Resort***

Genting Rewards, the Genting Group's customer loyalty program, currently has over 12.0 million members, including approximately 1.4 million in North America alone. Management plans to offer loyalty benefits to existing customer segments, allowing point redemption as well as the ability to obtain tier benefits within the program while customers in such segments are visiting Las Vegas. These individual members are recognized globally for their card status and ability to participate in the aspirational aspects of the program, through both gaming and non-gaming spending via the Genting Rewards Alliance. Current participants in Genting Rewards are: (1) Genting Hong Kong, an affiliate of Genting Berhad, which operates Dream Cruises, Crystal Cruises, Star Cruises and Resorts World Manila; (2) Genting Malaysia, which operates Resorts World Genting, RWNYC, Genting United Kingdom (over 40 properties) and Resorts World Bimini; and (3) Genting Singapore which operates Resorts World Sentosa. We believe the ability to market to existing Genting Rewards members in key feeder markets will enable our Las Vegas casino to open strongly and ramp up more quickly than other start-up operations that do not have an existing database.

We intend to develop unique programming to drive incremental trips for our VIP customers, incentivizing patrons during key holidays, such as New Year's, Chinese New Year, Obon, Golden Week and special events occurring within Las Vegas. The Genting Group has experienced casino marketing personnel located around the world to assist in driving trips to Genting Group properties and keeping them under the Genting umbrella of properties. The Genting Group has also focused on opportunities to grow our rewards program within North America and Latin America through partnerships, sponsorship and promotions of key events within particular cities, creating brand awareness while leveraging the depth of our global experience in operating market-leading integrated resorts.

In addition to our existing customer database, we intend to grow our customer base through targeted customer acquisition efforts. Our marketing efforts will promote the RLV brand and highlight our key competitive advantages, including location, service, atmosphere, and the quality of our amenities. The Genting Rewards customer loyalty system and our proprietary tracking software will enable us to segment our customer base, as well as efficiently target our promotional efforts and personalize relationships with our customers. We believe this combination of targeted marketing, customer recognition and exemplary service will enable us to increase customer loyalty and encourage repeat visitation.

### ***Leverage Partnership with Global Hotel Brands***

RWLV is in the process of negotiating agreements with one or more Flag Hotels to manage hotel rooms in both the East Tower and the West Tower. These partnerships will allow us to immediately leverage the Flag Hotels' globally recognized brands, known service excellence, luxury branding expertise, acclaimed management experience, worldwide reservations system and large pool of loyalty members in their customer databases. Management believes access to these customer databases will provide the Resort with a rich source of established gaming and non-gaming clientele. Management also believes the ability to leverage the Flag Hotels' management expertise mitigates the hotel integration and utilization risk that may otherwise exist with new entrants in the competitive Las Vegas market. The Flag Hotels' positions as preeminent meeting and convention hotel operators are expected to result in increased occupancy rates from each of their captive lists of high-end leisure travelers and corporate and incentive meeting planners. Additionally, the Flag Hotels are expected to provide an aggregate of up to \$75.0 million of "key money" to RWLV at opening, providing further validation of the Project and its future success. However, due to the non-binding nature of the letters of intent we have entered into with the Flag Hotels, we cannot assure you that the Flag Hotels will manage all or any part of either the East Tower or the West Tower, or that we will enter into definitive agreements with any of the Flag Hotels. See "Risk Factors—Risks Relating to Construction of the Project—There is no assurance that our letters of intent with third parties to manage the hotel rooms in one or both of our hotel towers will result in definitive agreements. We intend to finance a portion of the Project construction costs with key money being offered by the Flag Hotels, which may be unavailable if we fail to enter into definitive agreements with such parties."

### ***Target Top Las Vegas Feeder Markets with Large Asian Populations***

Management plans to extensively market to Asian populations within North America, specifically on the West Coast, to drive visitation from key feeder markets to Las Vegas. RWLV plans to specifically target Los Angeles, San Francisco and Seattle, which have Asian populations of 11.7%, 34.2% and 14.5%, respectively, according to the United States Census Bureau, as well as Vancouver, British Columbia, with a 45.8% Asian population, according to Statistics Canada. According to the LVCVA, in 2017, these key target cities ranked #1, #2, and #7 domestically, and #2 internationally for incoming air travel to Las Vegas, respectively. In addition, we plan to leverage the Genting Group's current network of Online Travel Agencies in international cities as well as our significant existing customer database in key regional cities that feed into the Las Vegas market, such as New York and Miami.

### ***Introduce Innovative Gaming Experiences***

Subject to obtaining the necessary gaming approvals from the Nevada Gaming Authorities, RWLV intends to introduce various innovations to the Resort that will be new to the Las Vegas market. Specifically, we intend to develop mobile applications, exciting side bets, as well as Free Style Gaming which allows our patrons to participate in live gaming from a tablet or mobile device within our geo-fence. Types of games offered through Free Style Gaming include roulette, baccarat, and sicbo. Similar innovations are already in operation at our sister properties in Asia as well as on our affiliates' cruise lines, through Resorts World at Sea. In addition, subject to obtaining the necessary approvals from the Nevada Gaming Authorities, we plan to incorporate mobile sports betting into our application, so patrons have a one-touch solution to access our various gaming options.

### **Competition**

The Resort will be located on the northern end of the Las Vegas Strip and is expected to compete with other high-end properties, providing customers with gaming and lodging facilities, food and beverage outlets, meeting and convention space, entertainment and retail stores. Specifically, the Resort

is expected to compete with existing casino/hotels operating on the Las Vegas Strip, including the Bellagio, Wynn Las Vegas & Encore Resort, The Venetian and Palazzo, Aria and Cosmopolitan. In addition, we expect to compete with The Drew Las Vegas, a planned new major casino/hotel project that is expected to open in late 2020 across the street from our site, according to a February 2018 joint press release from the company and Marriott International.

Resorts in Las Vegas also compete with other commercial and Native American casino/hotel facilities in Nevada, California and in other states, casino/hotel facilities in Macau and elsewhere in the world, state lotteries, sports betting, Internet gaming and other forms of gaming. Certain Asian markets, including Macau and Singapore, compete with resorts in Las Vegas for Asian gaming customers, including high-rollers. In addition, certain states recently have legalized, and others may or are likely to legalize, casino gaming in specific areas and online, and passage of the Indian Gaming Regulatory Act and Economic Self-Sufficiency Act in 1988 has led to the proliferation of Native American gaming operations throughout the United States. The legalization of full commercial casino gaming in or near metropolitan areas, such as Los Angeles, San Francisco, Dallas and Houston, from which we intend to attract customers, could have a material adverse effect on the business of the Resort. Further proliferation of gaming venues could significantly and adversely affect gaming operations in Las Vegas. See “Risk Factors—General Risks Relating to Our Business—Our casino, hotel, convention and other facilities will face intense competition, which may increase in the future.”

### **Design, Development and Construction**

The Resort is being designed and constructed by a team of well-respected firms with experience in casino and resort development and other large-scale projects. The architect of record for both the interiors and exteriors of the Resort is Steelman Partners LLP, a world-renowned architectural and interior design firm specializing in gaming and hospitality venues. The company’s founder, Paul Steelman, worked for Steve Wynn and Joel Bergman before starting his own practice in 1987. Steelman Partners has designed and constructed the Sands Macao in Macau, the Four Seasons Hotel Macao in Macau, the Galaxy Macau Phase II in Macau, the Grand Ho Tram in Vietnam, Solaire in the Philippines, and the Fox Tower at Foxwoods in North Stonington, Connecticut. Headquartered in Las Vegas, Steelman Partners LLP brings extensive local experience to our development. Steelman Partners LLP is consistently ranked as one of the top 300 largest architectural firms by Architectural Record Magazine and is on the Engineering News-Record’s Top 500 Design Firm list. See “Description of Development and Construction Contracts for the Project—Architect’s Agreement.”

W.A. Richardson Builders LLC, or W.A. Richardson, is the general contractor for the Resort. W.A. Richardson is headquartered in Las Vegas and is owned by Bill Richardson and Yvette Landau. W.A. Richardson has provided preconstruction and construction services for the Project for nearly four years, including completion of the parking structure, site maintenance, and steel demolition. As an executive with the Mandalay Group, Bill Richardson oversaw construction of Mandalay Bay and the Monte Carlo Hotel and Casino, and worked on the redesign and expansion to the Luxor Hotel Casino and Circus Circus Las Vegas. W.A. Richardson also worked more recently on the construction and development of The Cosmopolitan of Las Vegas, and The LINQ and the demolition of The Riviera Hotel and Casino. W.A. Richardson is a certified Minority and Women Owned Business Enterprise.

We have entered into an approximately \$2.8 billion guaranteed maximum price construction contract with W.A. Richardson. The guaranteed maximum price construction contract for the construction hard costs is based on construction drawings that are approximately 67% complete. Separately, GOHL is providing support with respect to funding of certain increases to hard costs relating to certain material changes to the Project pursuant to the Change Order Funding Agreement. The key terms of the Change Order Funding Agreement are described under “Description of Keepwell Deed and Funding Agreements—The Change Order Funding Agreement.” For further information

regarding our agreement with W.A. Richardson, see “Description of Development and Construction Contracts for the Project—Guaranteed Maximum Price Construction Contract.”

The current total budget for the Project is approximately \$4.3 billion, which includes a total contingency amount of \$200.0 million to cover unexpected costs. See “Risk Factors—Risks Relating to Construction of the Project—The development costs of the Project are estimates only, and actual development costs may be higher than expected.”

### ***Construction Consultant***

CBRE has been engaged as an independent construction consultant on behalf of the noteholders and lenders. CBRE has experience in the casino and hotel market, including work on Wynn Las Vegas & Encore Resort; The Cosmopolitan of Las Vegas; and RWNVC. CBRE will, among other things, evaluate the final construction documents, agreements, permits, schedules and budget as well as monitor our funding needs and cash draws throughout the construction period in accordance with the terms of the Disbursement Agreement. See “Description of Disbursement Agreement.”

### **Employees**

We anticipate that, when the Resort opens, we will employ a significant number of full-time employees in connection with the operation of the Resort. As a result, we will need to undertake a major recruiting and training program before the opening. However, based on the size of the Las Vegas metropolitan area and our experience with similar programs in connection with the opening of similar facilities and resorts, we believe we will be able to attract and retain a sufficient number of qualified individuals to operate the Resort.

While our existing employees are not members of unions, unions may seek to organize our employees. Such unionization or pressure to unionize could increase our labor costs.

Our employees will be required to file applications with the Nevada Gaming Authorities and be licensed or registered by the Nevada Gaming Authorities and maintain such licenses or registrations. If the Nevada Gaming Authorities were to find an employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would not be able to hire that employee or, if he or she had already been hired, we would have to sever all relationships with that person. Furthermore, the Nevada Gaming Authorities will require us to terminate the employment of any person who refuses to file appropriate applications. See “Risk Factors—General Risks Relating to Our Business—If we are unable to recruit, train and retain qualified management and employees, our business could be significantly harmed.”

### **Trademark and Service Marks**

We intend to enter into the GIP License Agreement with GIP, a wholly owned subsidiary of Genting Berhad under which we will license or sub-license from GIP various trademarks and other intellectual property, including “Resorts World,” “Resorts World Las Vegas” and related trademarks and certain know-how (“Licensed IP”), for use in connection with the development, marketing, sales, management and operation of the Resort, and advertising and promotion related thereto. In consideration of the licenses granted under the GIP License Agreement, we are required to pay GIP a royalty of up to 2.63% of gross revenue derived from the Resort. The license will provide for the non-exclusive use of the Licensed IP by RWLV and its affiliates for a term of 45 years from the date the Resort opens to the public. We have certain restrictions on our ability to grant sublicenses under the Licensed IP, and our use of the Licensed IP is subject to certain ongoing quality control standards and approval requirements to protect the associated goodwill. We have agreed to indemnify GIP and its affiliates for unauthorized, unlawful or improper use of the Licensed IP, our negligence, recklessness



or wrongful intentional acts or omissions, violations of law, or breach of the GIP License Agreement, including the scope of the license granted to us thereunder.

GIP may terminate the GIP License Agreement upon a change of control of RWLV, a foreclosure or other action by our creditors, an insolvency, bankruptcy or similar event or proceeding, our uncured breach of the GIP License Agreement, or if we take certain action that impairs the Licensed IP or GIP's gaming qualifications or standing to conduct its business, if the use of the Licensed IP is no longer permitted under law, if we cease using the licensed trademarks or cease to operate or manage the Resort, if we contest, oppose, dispute or challenge the Licensed IP, if the Resort does not open to the public by December 31, 2021 or such later permissible date, or if GIP is directed to cease doing business with us. We may terminate the GIP License Agreement upon GIP's uncured breach of the GIP License Agreement or for other reasons, such as if GIP takes certain action that impairs our standing to conduct our business, or an insolvency or bankruptcy proceeding of GIP. The GIP License Agreement also will terminate upon termination of GIP's upstream licenses with its licensor unless RWLV elects to continue with the GIP License Agreement with respect only to the Resorts World intellectual property.

We also intend to enter into the RWLV License Agreement with an affiliate of Genting Berhad, under which we will license from such affiliate, for a nominal amount, certain trademarks and other intellectual property specific to the management and operation of the Resort. Any future intellectual property generated by us in the course of the management and operation of the Resort will be assigned to such affiliate and licensed back to us under the RWLV License Agreement.

Even though we expect to have a license to use this intellectual property, our rights will be dependent upon the rights of GIP and our other licensors to maintain and use these marks, some of which are licensed to GIP and our other licensors by their respective licensors. As a result, if a third-party claims a prior right to the use of "Resorts World" or "Resorts World Las Vegas" marks or similar marks in the State of Nevada, then they may challenge our and our affiliates' use of the marks and attempt to overcome the presumptions afforded by the registration process. They could also attempt to prevent our use of the marks and/or seek monetary damages as a result of such use. See "Risk Factors—General Risks Relating to Our Business—Any damage to the Resorts World brand or intellectual property could have a material adverse effect on our business."

### **Support Services**

In August 2013, we entered into a services agreement (the "Services Agreement") with Genting New York LLC ("Genting New York"), a wholly owned subsidiary of Genting Malaysia and the operator of RWNYC, whereby Genting New York has agreed to provide us with support services, including, but not limited to, support services related to financial and management, accounting, legal, licensing and compliance, accounts payable and treasury, corporate affairs, project management, liaising with applicable U.S. authorities for and on our behalf, sales and marketing, human resources and recruitment, insurance, property development, and procurement support, at a cost of the total direct and indirect costs incurred by Genting New York to provide such services plus a 6% markup. The Services Agreement can be terminated by either party by giving a 30-day notice of its intention to terminate. See "Certain Relationships and Related Party Transactions—Related Party Transactions Entered Into Prior to this Offering—Services Agreement."

We also intend to enter into a shared services agreement with RWLV Services LLC, a wholly owned subsidiary of RWLV Holdings, as described under "Certain Relationships and Related Party Transactions—Related Party Transactions Proposed in Connection with the Project and this Offering—Shared Services Agreement."

### **Properties**

In 2013, we acquired approximately 87 acres of land and improvements known as 3000 Las Vegas Boulevard South, on the Las Vegas Strip at the site of the former Echelon development, from Boyd

Gaming Corporation for \$350.6 million. The parcels are located on the northwestern corner of Las Vegas Boulevard South and Resorts World Drive, upon which we are building the Resort. We own all the land in fee simple.

### **Insurance**

During the construction of the Resort, we will maintain builder's risk insurance in the aggregate amount of \$2.8 billion for construction hard costs and \$248.7 million for soft costs, in addition to \$25.0 million for crane, plant and equipment coverage. During construction, W.A. Richardson has also agreed to maintain commercial general liability insurance, excess liability coverage, auto liability and physical damage coverage, workers' compensation and employers' liability coverage and contractor's professional and pollution coverage, in each case, in amounts it deems appropriate and consistent with projects of this size and scope.

We have in place and will maintain the following insurance policies which also name us and our direct and indirect existing and future subsidiaries as additional insureds: a directors and officers insurance policy with a limit of \$5.0 million; a commercial general insurance policy with a limit of \$1.0 million for each occurrence and \$2.0 million general aggregate (and other smaller limits per occurrence based on the type of loss); an automobile liability and physical damage policy with a combined single limit of \$1.0 million; a workers' compensation and employers' liability policy with a statutory workers' compensation limit of \$1.0 million; and an excess liability umbrella policy with a limit of \$10.0 million in excess of primary coverage. Each of those policies is subject to certain deductibles, co-payments, exceptions, exclusions and qualifications.

Following the completion of construction of the Resort, we expect to maintain substantially the same levels of insurance other than the builder's risk insurance. We are or will be required to maintain certain insurance pursuant to our guaranteed maximum price construction contract with W.A. Richardson, as described under "Description of Development and Construction Contracts for the Project—Guaranteed Maximum Price Construction Contract." In addition, we require our general contractors to maintain insurance pursuant to our agreements with them.

### **Environmental Regulations**

We are subject to various federal, state and local environmental laws and regulations which may result in potential liability and which govern, among other matters: (a) emissions and discharges of hazardous materials into the air, ground and water; (b) the use, generation, storage, handling, transportation, treatment and disposal of solid and hazardous waste; (c) the remediation of soil and ground water contaminated by petroleum products or other hazardous substances or waste; and (d) the health and safety of our employees. Compliance with these laws and regulations may require material expenditures by us.

Environmental laws impose cleanup responsibility, and joint and several liability, without regard to whether a current or former owner knew of or caused contamination or a release. Such laws also impose liability on entities that disposed or arranged for disposal of hazardous substances at third-party sites that are subsequently found to be contaminated. As the owner or operator of the properties on which the development is situated, we may be subject to liability for contamination or for releases of hazardous substances, including petroleum, at or from our properties. We may be subject to liability at third-party sites to which we send or have sent wastes for disposal.

An environmental assessment was conducted for the entire RWLV property in December 2018, and no material environmental issues were noted.

### **Legal Proceedings**

We may be subject to legal proceedings from time to time. We are not presently involved in any legal proceedings that we expect, individually or in the aggregate, to have a material adverse effect on RWLV's consolidated financial condition, results of operations or cash flows.

## LICENSING AND REGULATION BY GAMING AND OTHER AUTHORITIES

The gaming industry is highly regulated. Gaming registrations, licenses and approvals, once obtained, can be limited, conditioned, suspended, or revoked for a variety of reasons. We cannot assure you that we will obtain all required registrations, licenses and approvals on a timely basis or at all, or that, once obtained, the registrations, findings of suitability, licenses and approvals will not be limited or conditioned, or if granted that in the future, the required registrations, licenses and approvals will not be limited, conditioned, suspended, or revoked. See “Risk Factors—General Risks Relating to Our Business—We are subject to extensive state and local regulation, and licensing and gaming authorities have significant control over our operations. The cost of compliance or failure to comply with such regulations and authorities could have a negative effect on our business.”

The ownership and operation of casino gaming facilities in the State of Nevada are subject to the Nevada Gaming Control Act and the regulations made thereunder, as well as to various local ordinances. Genting Berhad, RWLV, certain of their affiliates and the Resort will be subject to the licensing and regulatory control of the Nevada Gaming Authorities.

### Policy Concerns of Gaming Laws

The laws, regulations and supervisory procedures of the Nevada Gaming Authorities are based upon declarations of public policy. Such public policy concerns include, among other things:

- preventing unsavory or unsuitable persons from being directly or indirectly involved with gaming at any time or in any capacity;
- establishing and maintaining responsible accounting practices and procedures;
- maintaining effective controls over the financial practices of gaming licensees, including establishing minimum procedures for internal fiscal affairs and safeguarding assets and revenue, providing reliable recordkeeping and requiring the filing of periodic reports with the Nevada Gaming Authorities;
- preventing cheating and fraudulent practices; and
- providing a source of state and local revenue through taxation and licensing fees.

Changes in applicable laws, regulations and procedures could have significant negative effects on our future Las Vegas gaming operations and our financial condition and results of operations.

### Owner and Operator Licensing Requirements

Before the Resort opens, we, as the owner and operator of the Resort, will be required to seek approval from, and be licensed by, the Nevada Gaming Authorities to conduct casino gaming operations, including a race book and sports pool, pari-mutuel wagering and the operation of gaming salons.

If we are granted gaming licenses, we will have to pay periodic fees and taxes. The gaming licenses will not be transferable. We cannot assure you that we will be able to obtain all approvals and licenses from the Nevada Gaming Authorities on a timely basis or at all.

### Company Requirements

Before the Resort opens, Genting Berhad, all of its directly or indirectly owned subsidiaries that are direct or indirect parent entities to RWLV, RWLV and RWLV Sub will be required to apply to, and be found suitable by, the Nevada Gaming Authorities. Additionally, RWLV Holdings will be required to apply for, and be licensed by, the Nevada Gaming Authorities to own the equity interests of RWLV, and RWLV and RWLV Sub will each be required to apply for and be licensed to conduct various

gaming operations by the Nevada Gaming Authorities. Genting Berhad is currently registered with the Nevada Gaming Commission as a publicly traded corporation, referred to as a registered company. RWLV Capital will not be required to be registered or licensed, but may be required to be found suitable as a lender or financing source. We cannot assure you that the registrations, licenses and findings of suitability from the Nevada Gaming Authorities will be obtained on a timely basis or at all.

Periodically, we will be required to submit detailed financial and operating reports to the Nevada Gaming Control Board and provide any other information that the Nevada Gaming Commission or Nevada Gaming Control Board may require. Substantially all of our material loans, leases, sales of securities and similar financing transactions must be reported to, and/or approved by, the Nevada Gaming Control Board and/or the Nevada Gaming Commission.

### **Licensing Requirements**

No person or entity may become a stockholder or member owning more than 5% of Genting Berhad's direct and/or indirect privately owned subsidiaries, which have or will be granted licenses, registrations and/or approvals from the Nevada Gaming Authorities, including RWLV and RWLV Sub, without first obtaining a license from the Nevada Gaming Authorities. No person or entity may become a stockholder or member owning 5% or less of Genting Berhad's direct and/or indirect privately owned subsidiaries, which have or will be granted licenses, registrations and/or approvals from the Nevada Gaming Authorities, including RWLV and RWLV Sub, without first obtaining a registration from the Nevada Gaming Authorities. Further, no person or entity may transfer any interest in, or receive any percentage of, the profits of Genting Berhad's direct and/or indirect privately owned subsidiaries, which have or will be granted licenses, registrations and/or approvals from the Nevada Gaming Authorities, including RWLV and RWLV Sub, without first obtaining licenses, registrations and/or approvals from the Nevada Gaming Authorities. Similarly, any pledge of interests in Genting Berhad's direct and/or indirect privately owned subsidiaries, which have or will be granted licenses, registrations and/or approvals from the Nevada Gaming Authorities, shall not be effective without prior approval of the Nevada Gaming Authorities. The Nevada Gaming Authorities may investigate any individual who has a material relationship to, or material involvement with, us to determine whether the individual is suitable or should be licensed as a business associate of a gaming licensee. We and our officers, directors and certain key employees will be required to file applications with the Nevada Gaming Authorities and may be required to be licensed or found suitable by the Nevada Gaming Authorities. The Nevada Gaming Authorities may deny an application for licensing for any cause which they deem reasonable. A finding of suitability is comparable to licensing, and both require submission of detailed personal and financial information followed by a thorough investigation. An applicant for licensing or an applicant for a finding of suitability must pay for all the costs of the investigation. Changes in licensed positions must be reported to the Nevada Gaming Authorities and, in addition to their authority to deny an application for a finding of suitability or licensing, the Nevada Gaming Authorities have the jurisdiction to disapprove a change in a corporate position.

If the Nevada Gaming Authorities were to find an officer, director or key employee unsuitable for licensing or unsuitable to continue having a relationship with us, we would have to sever all relationships with that person. In addition, the Nevada Gaming Authorities will require us to terminate the employment of any person who refuses to file appropriate applications. Determinations of suitability or questions pertaining to licensing are not subject to judicial review in Nevada.

### **Consequences of Violating Gaming Laws**

If the Nevada Gaming Authorities determine that we have violated the Nevada Gaming Control Act or any of its regulations, or any applicable local ordinance, they could limit, condition, suspend or revoke our registrations and gaming licenses. In addition, we and the persons involved could be subject to substantial fines for each separate violation of the Nevada Gaming Control Act, or any of its

regulations or any applicable local ordinance, at the discretion of the Nevada Gaming Authorities. Further, the Nevada Gaming Commission could appoint a supervisor to operate the Resort and, under specified circumstances, earnings generated during the supervisor's appointment (except for the reasonable rental value of the premises) could be forfeited to the State of Nevada. Limitation, conditioning or suspension of any of our gaming licenses and the appointment of a supervisor could, and revocation of any gaming license would, have a significant negative effect on our gaming operations.

### **Requirements for Genting Berhad Securities Holders**

Regardless of the number of shares held, any owner of Genting Berhad's voting or non-voting securities may be required to file an application, be investigated and have that person's suitability determined if the Nevada Gaming Commission has reason to believe that the ownership would be inconsistent with the declared policies of the State of Nevada. If the owner of the voting or non-voting securities of Genting Berhad who must be found suitable is a corporation, partnership, limited partnership, limited liability company or trust, it, and its affiliates, must submit detailed business and financial information, including a list of its beneficial owners. The applicant must pay all costs of the investigation incurred by the Nevada Gaming Authorities in conducting any investigation.

The Nevada Gaming Control Act requires any person who acquires more than 5% of Genting Berhad's voting securities to report the acquisition to the Nevada Gaming Commission. The Nevada Gaming Control Act requires beneficial owners of more than 10% of Genting Berhad's voting securities to apply to the Nevada Gaming Commission for a finding of suitability within 30 days after the Chairman of the Nevada Gaming Control Board mails the written notice requiring such filing. However, an "institutional investor," as defined in the Nevada Gaming Control Act, which beneficially owns more than 10% but not more than 25%, of Genting Berhad's voting securities may apply to the Nevada Gaming Commission for a waiver of a finding of suitability if the institutional investor holds the voting securities for investment purposes only. An institutional investor that has obtained a waiver may hold more than 25% but not more than 29% of Genting Berhad's voting securities and maintain its waiver where the additional ownership results from a stock repurchase by Genting Berhad. An institutional investor will not be deemed to hold voting securities for investment purposes unless the voting securities were acquired and are held in the ordinary course of business as an institutional investor and not for the purpose of causing, directly or indirectly, the election of a majority of the members of the board of directors of Genting Berhad, a change in the corporate charter, bylaws, management, policies or operations of Genting Berhad, or any of its gaming affiliates, or any other action which the Nevada Gaming Commission finds to be inconsistent with holding Genting Berhad's voting securities for investment purposes only. Activities which are not deemed to be inconsistent with holding voting securities for investment purposes only include:

- voting on all matters voted on by equityholders or interest holders;
- making financial and other inquiries of management of the type normally made by securities analysts for informational purposes and not to cause a change in management, policies or operations; and
- other activities that the Nevada Gaming Commission may determine to be consistent with such investment intent.

RWLV is required to maintain a current stock ledger in Nevada which may be examined by the Nevada Gaming Authorities at any time. If any securities are held in trust by an agent or by a nominee, the record holder may be required to disclose the identity of the beneficial owner to the Nevada Gaming Authorities. A failure to make the disclosure may be grounds for finding the record holder unsuitable. We are required to provide maximum assistance in determining the identity of the beneficial owner of any of Genting Berhad's or RWLV's securities. The Nevada Gaming Commission has the

power to require the certificates of any licensed company to bear a legend indicating that the securities are subject to the Nevada Gaming Control Act.

### **Consequences of Being Found Unsuitable**

Any person who fails or refuses to apply for a finding of suitability or a license within 30 days after being ordered to do so by the Nevada Gaming Authorities, or who refuses or fails to pay the investigative costs incurred by the Nevada Gaming Authorities in connection with the investigation of its application, may be found unsuitable. The same restrictions apply to a record owner if the record owner, after request, fails to identify the beneficial owner. Any person found unsuitable and who holds, directly or indirectly, any beneficial ownership of any voting security or debt security of a registered company beyond the period of time as may be prescribed by the Nevada Gaming Authorities may be guilty of a criminal offense. We will be subject to disciplinary action if, after we receive notice that a person is unsuitable to hold an equity interest or to have any other relationship with us, we:

- pay that person any dividend or interest upon any voting securities;
- allow that person to exercise, directly or indirectly, any voting right held by that person relating to any licensed company;
- pay remuneration in any form to that person for services rendered or otherwise; or
- fail to pursue all lawful efforts to require the unsuitable person to relinquish such person's voting securities, including, if necessary, the immediate purchase of the voting securities for cash at fair market value.

### **Gaming Laws Relating to Debt Securities Ownership**

The Nevada Gaming Commission may, in its discretion, require an owner of notes, regardless of amount, to file applications, be investigated and be found suitable to own such notes if the Nevada Gaming Commission has reason to believe that such ownership would otherwise be inconsistent with the declared policies of the State of Nevada. If the Nevada Gaming Commission decides that a person is unsuitable to own the securities, then under the Nevada Gaming Control Act, the registered or licensed company can be sanctioned, including the loss of its approvals if, without the prior approval of the Nevada Gaming Commission, it:

- pays to the unsuitable person any dividend, interest or any distribution whatsoever;
- pays the unsuitable person remuneration in any form; or
- makes any payment to the unsuitable person by way of principal, redemption, conversion, exchange, liquidation or similar transaction.

### **Approval of Public Offerings**

Genting Berhad and, once they are licensed by the Nevada Gaming Authorities, Genting Berhad's directly or indirectly owned parent entities to RWLV and RWLV Sub may not make a public offering of their securities without the prior approval of the Nevada Gaming Commission if they intend to use the securities or the proceeds from the offering to construct, acquire or finance gaming facilities in Nevada, or to retire or extend obligations incurred for those purposes or for similar transactions. Any approval that Genting Berhad or its subsidiaries might receive in the future relating to the offering of debt or equity does not constitute a finding, recommendation or approval by any of the Nevada Gaming Authorities as to the accuracy or adequacy of the offering circular or the investment merits of the securities. Any representation to the contrary is unlawful.

### **Approval of Changes in Control**

Genting Berhad and, once they are licensed by the Nevada Gaming Authorities, Genting Berhad's directly or indirectly owned parent entities to RWLV and RWLV Sub, must each obtain prior approval of the Nevada Gaming Authorities with respect to a change in control through merger; consolidation, stock or asset acquisitions, management or consulting agreements, or any act or conduct by a person by which the person obtains control of such entity.

Entities seeking to acquire control of either Genting Berhad or such entities that are licensed by the Nevada Gaming Authorities, must satisfy the Nevada Gaming Authorities with respect to a variety of stringent standards before assuming control of such company. The Nevada Gaming Authorities may also require controlling stockholders, officers, directors and other persons having a material relationship or involvement with the entity proposing to acquire control to be investigated and licensed as part of the approval process relating to the transaction.

### **Approval of Defensive Tactics**

The Nevada legislature has declared that some corporate acquisitions opposed by management, repurchases of voting securities and corporate defense tactics affecting Nevada corporate gaming licensees or affecting registered companies that are affiliated with the operations of Nevada gaming licensees may be harmful to stable and productive corporate gaming. The Nevada Gaming Commission has established a regulatory scheme to reduce the potential adverse effects of these business practices upon Nevada's gaming industry and to further Nevada's policy in order to:

- assure the financial stability of corporate gaming licensees and their affiliated companies;
- preserve the beneficial aspects of conducting business in the corporate form; and
- promote a neutral environment for the orderly governance of corporate affairs.

Approvals may be required from the Nevada Gaming Commission before Genting Berhad can make exceptional repurchases of voting securities above its current market price and before a corporate acquisition opposed by management can be consummated. The Nevada Gaming Control Act also requires prior approval of a plan of recapitalization proposed by company's board of directors in response to a tender offer made directly to its stockholders for the purpose of acquiring control.

### **Fees and Taxes**

License fees and taxes, computed in various ways depending on the type of gaming or activity involved, are payable to the State of Nevada and to the counties and cities in which the licensed subsidiaries' respective operations are conducted. Depending upon the particular fee or tax involved, these fees and taxes are payable monthly, quarterly or annually and are based upon:

- a percentage of the gross revenue received;
- the number of gaming devices operated; or
- the number of table games operated.

A live entertainment tax also is imposed on admission charges where live entertainment is furnished.

### **Foreign Gaming Investigations**

Any person who is licensed, required to be licensed, registered, required to be registered in Nevada, or is under common control with such persons (collectively, "licensees"), and who proposes to become involved in a gaming venture outside of Nevada, is required to deposit with the Nevada

Gaming Control Board, and thereafter maintain, a revolving fund in the amount of \$10,000 to pay the expenses of investigation of the Nevada Gaming Control Board of the licensee's or registrant's participation in such foreign gaming. The revolving fund is subject to increase or decrease at the discretion of the Nevada Gaming Commission. Licensees and registrants are required to comply with the foreign gaming reporting requirements imposed by the Nevada Gaming Control Act. A licensee or registrant is also subject to disciplinary action by the Nevada Gaming Commission if it:

- knowingly violates any laws of the foreign jurisdiction pertaining to the foreign gaming operation;
- fails to conduct the foreign gaming operation in accordance with the standards of honesty and integrity required of Nevada gaming operations;
- engages in any activity or enters into any association that is unsuitable because it poses an unreasonable threat to the control of gaming in Nevada, reflects or tends to reflect, discredit or disrepute upon the State of Nevada or gaming in Nevada, or is contrary to the gaming policies of Nevada;
- engages in activities or enters into associations that are harmful to the State of Nevada or its ability to collect gaming taxes and fees; or
- employs, contracts with or associates with a person in the foreign gaming operation who has been denied a license or finding of suitability in Nevada on the ground of unsuitability.

#### **Licenses for the Service and Sale of Alcoholic Beverages**

The service and sale of alcoholic beverages at the Resort will be subject to licensing, control and regulation by the Clark County Liquor and Gaming Licensing Board. The Clark County Liquor and Gaming Licensing Board has the authority to approve all stockholders, officers, directors, key employees and persons sharing in liquor revenues. All licenses are revocable and are not transferable. The county agency has full power to limit, condition, suspend or revoke any license. Any disciplinary action could, and revocation would, have a substantial negative impact upon our operations.



## MANAGEMENT AND OWNERSHIP

### Directors and Key Officers

We are managed by RWLV Holdings, our sole member, which is in turn managed by its sole member Genting Assets, an indirect wholly owned subsidiary of Genting Berhad. As member-managed limited liability companies, RWLV and RWLV Holdings do not have boards of directors. As a result, Genting Assets, through RWLV Holdings, controls RWLV. Set forth below are the name, age, position and a description of the business experience of each member of the board of directors of Genting Assets and each of RWLV's key officers, as indicated below.

Name	Age	Position
Tan Sri Lim Kok Thay . . . . .	67	Director, Genting Assets
Lim Keong Hui . . . . .	34	Director, Genting Assets
Tan Kong Han . . . . .	53	Director, Genting Assets
Wong Yee Fun . . . . .	48	Director, Genting Assets
Chong Kin Leong . . . . .	60	Director, Genting Assets
Edward M. Farrell . . . . .	55	Director, Genting Assets
		President, RWLV
Aviv Laurence . . . . .	50	Chief Financial Officer, RWLV
Gerald Gardner . . . . .	54	General Counsel and Senior Vice President of Governmental Affairs, RWLV
Paul Gunderson . . . . .	47	Vice President of Design and Construction, RWLV

**Tan Sri Lim Kok Thay**, a director of Genting Assets since 2018, was appointed as a director of Genting Berhad in 1976 and was redesignated as the Chairman and Chief Executive of Genting Berhad in 2007. He is also the Chairman and Chief Executive of Genting Malaysia, the Deputy Chairman and Executive Director of Genting Plantations, and the Executive Chairman of Genting Singapore and Genting UK Plc. Tan Sri Lim has served in various positions within the Genting Group since 1976. He is a Founding Member and a Permanent Trustee of the charitable foundation The Community Chest, Malaysia. In addition, he is a member of the board of directors of several other companies as well as a member of the board of trustees of several charitable organizations in Malaysia. Tan Sri Lim is the Chairman and Chief Executive Officer of Genting Hong Kong, a company listed on the Main Board of The Stock Exchange of Hong Kong Limited. He is also a director of Travellers International Hotel Group, Inc., a company listed on the Main Board of The Philippine Stock Exchange, Inc. and an associate of Genting Hong Kong. Tan Sri Lim holds a Bachelor of Science in civil engineering from the University of London. He attended the Program for Management Development of Harvard Business School in 1979. He is a Visiting Professor in the Department of Electrical and Electronic Engineering, Imperial College London and an Honorary Professor at Xiamen University, China.

**Lim Keong Hui**, a director of Genting Assets since 2019, was designated as the Deputy Chief Executive and Executive Director of Genting Berhad, Genting Malaysia and Genting Plantations in January 2019. He is also a director of Genting UK Plc, a member of the board of trustees of Yayasan Lim Goh Tong, and the Deputy Chief Executive Officer and Executive Director of Genting Hong Kong. Prior to this, Lim served in various positions within the Genting Group, including as a non-independent non-executive director of Genting Berhad, Genting Malaysia and Genting Plantations, Chief Information Officer of Genting Berhad, Genting Malaysia and Genting Plantations, non-independent executive director of Genting Berhad, Genting Malaysia and Genting Plantations and Senior Vice President—Business Development and Executive Director—Chairman's Office of Genting Berhad. Lim has also served as the Executive Director—Chairman's Office and Chief Information Officer, Senior Vice President—Business Development and Executive Director—Chairman's Office of Genting Hong Kong. Prior to joining Genting Hong Kong in 2009, Mr. Lim was an investment banker at HSBC. He has a Bachelor of Science with honors in computer science from the Queen Mary

University of London, United Kingdom and a master's degree in international marketing management from Regent's Business School London, United Kingdom.

**Tan Kong Han**, a director of Genting Assets since 2013, was appointed President and Chief Operating Officer of Genting Berhad in 2007. He was appointed Deputy Chief Executive of Genting Plantations on December 1, 2010 prior to his appointment as the Chief Executive and Executive Director of Genting Plantations on January 1, 2019. Tan had more than 13 years of experience in investment banking prior to joining Tanjong Public Limited Company, where he was the Group Chief Operating Officer from 2003 to 2007. He serves as a director of a variety of subsidiary companies within the Genting Berhad and Genting Plantations group. He is also a member of the board of trustees of Yayasan Genting and Yayasan Kebajikan Komuniti Malaysia, the Administrator of The Community Chest, Malaysia and the Managing Director of Pan Malaysian Pools Sdn Bhd, as well as a director of Asian Centre for Genomics Technology Berhad and GB Services Berhad, both of which are public companies. Tan has been conferred a Master of Arts by the University of Cambridge and was admitted to the English Bar (Lincoln's Inn) in 1989 and the Malaysian Bar in 1990.

**Wong Yee Fun**, a director of Genting Assets since 2018, was appointed Deputy Chief Financial Officer of Genting Berhad on January 2, 2018 prior to her appointment as Chief Financial Officer of Genting Berhad on January 1, 2019. Prior to joining Genting Berhad, she served as Chief Financial Officer of Maybank Islamic Berhad from May 2016 through December 2017, where she was responsible for formulating the finance strategies partnering with, and in support of, Maybank Islamic Berhad's business. She possesses extensive finance experience given her 20 years of experience with the Maybank Group. She has held various senior roles covering finance, corporate finance, capital management, group corporate treasury, strategic planning, investor relations, mergers and acquisitions, strategic alliances and initiatives, and finance-related projects which span multiple lines of business within the Maybank Group. Additionally, she has had extensive hands-on experience in management and leading strategic initiatives. She earned a Bachelor of Accounting with honors from the University of Malaya. She is a member of CPA Australia, the Malaysian Institute of Accountants and The Malaysian Institute of Certified Public Accountants. She has a Certificate in Islamic Banking & Finance Law awarded by the International Islamic University Malaysia.

**Chong Kin Leong**, a director of Genting Assets since 2013, is the former Chief Financial Officer of Genting Berhad, a position he held from his appointment in 2003 until his retirement in 2018. During his tenure at Genting Berhad, he was Chief Financial Officer and a director of several subsidiary companies of the Genting Berhad group, including GB Services Berhad and Genting Capital Berhad. He began his career with an international accounting firm in Kuala Lumpur in 1981 and joined Sime Darby Berhad in 1985 before leaving to join the Rashid Hussain Berhad group of companies in 1993 until 2003, where his last position was Finance Director. He holds a Bachelor of Accounting with honors from the University of Malaya and is a member of the Malaysian Institute of Accountants and the Malaysian Institute of Certified Public Accountants.

**Edward M. Farrell**, a director of Genting Assets since 2018, was appointed President of Genting Americas in 2015 and President of RWLV in 2017. Farrell has worked in the casino industry for over 30 years. During the course of his career, he has held a variety of leadership positions, primarily in casino operations and finance, and has worked in the Nevada, Mississippi, Connecticut and the New York casino markets. He has participated in the opening of several casino properties, including the Mirage in Las Vegas, Nevada, the Grand Casino in Gulfport, Mississippi, the Treasure Bay Casino in Biloxi, Mississippi, and RWNYS in New York City, New York. Prior to joining RWNYS in 2011, he was Senior Vice President of Finance for Foxwoods and MGM at Foxwoods in southern Connecticut. He also worked for Jack Binion's Horseshoe Casino in Tunica, Mississippi. After the acquisition of Horseshoe by Harrah's, he held the role of Regional VP of Finance for the Mid-South Region of Harrah's Entertainment, where he had financial responsibility for three casinos. Along with his financial experience, he has held casino operational roles with Treasure Bay, Horseshoe and Harrah's, during

which time he managed the Table Games, Slots and Customer Development departments as well as various non-gaming departments. He began at MGM Reno in various line-level positions while attending the University of Nevada, Reno where he received a Bachelor of Science in accounting.

**Aviv Laurence**, the Chief Financial Officer of RWLV, was appointed Chief Financial Officer of both Genting Americas and RWLV in 2017. He is responsible for leading the financing efforts and overseeing the Finance and Accounting Department for the North American operations of the Genting Group. He has over 28 years of investment banking, finance, and accounting experience. Laurence joined Genting Americas in 2015 as Senior Vice President of Corporate Finance. Prior to joining Genting Americas, Laurence spent over 16 years as an investment banker with various firms including Salomon Smith Barney, Citigroup, Merrill Lynch, Bank of America Merrill Lynch, Citadel Securities and Wells Fargo Securities. He worked in both the audit and tax departments of Deloitte during his 6 years at the firm. Laurence received a bachelor's degree in economics from Vassar College and an MBA in finance from Columbia Business School and is a licensed Certified Public Accountant.

**Gerald Gardner**, the General Counsel and Senior Vice President of Government Affairs for RWLV, was appointed to his current position in 2015. He is responsible for overseeing legal, compliance, entitlement and permitting matters, and is the government liaison for the Las Vegas project development. Prior to joining RWLV, Gardner was Chief of Staff to former Nevada Governor Brian Sandoval, providing executive-level support to the governor and cabinet in budget, legislative, and policy development. He was the primary liaison to the Governor's Office of Economic Development, Workforce Investment Division and the Nevada Legislature. He previously served as the Chief Deputy Attorney General in charge of the Las Vegas Office, and as a Deputy District Attorney with the Clark County (Las Vegas) District Attorney's Office. He is a member of the United States District Court's Early Mediation Panel and is a director on the board of the Nevada EB-5 Regional Center. Gardner received his juris doctor degree from Cornell University and his bachelor's degree from Kenyon College.

**Paul Gunderson**, the Vice President of Design and Construction for RWLV, was appointed to his current position in 2018. He has 22 years of experience in architectural design with over 14 years of experience in the gaming and hospitality industry. Before joining the RWLV team in 2015 as Vice President of Design, he served as the Executive Director of Programming and Planning for the Las Vegas Sands Corporation and as the Executive Director of Architecture and Design for Sands China Limited. Gunderson has experience in multiple disciplines ranging from master planning to programming, design, operations integration, entitlements and construction. In the course of the last 14 years, he has been part of the team that developed The Venetian Macao, The Plaza Macao (Four Seasons Macao), Sands Cotai Central Macao, Marina Bay Sands Singapore and The Parisian Macao from concept to completion. He received a Bachelor of Science in architecture from the University of Texas, and is a licensed architect in the State of Texas.

### **Ownership; LLC Agreement**

RWLV is a direct wholly owned subsidiary of RWLV Holdings, which is in turn a direct wholly owned subsidiary of Genting Assets. Genting Assets is an indirect wholly owned subsidiary of Genting Berhad. See "Offering Circular Summary—Our Corporate Structure" for a depiction of our ownership structure.

RWLV is governed by its limited liability company agreement (as amended, the "LLC Agreement"), the material terms of which are summarized below.

**Management.** The LLC Agreement vests management of RWLV in RWLV Holdings, as its sole member (in such capacity, the "Member"). Pursuant to the LLC Agreement, the Member is the sole person or entity with the power to bind RWLV, except as expressly provided in the LLC Agreement or to the extent such power is expressly delegated to any other person or entity by the Member. The

Member may delegate to any manager and/or officer of RWLV, or to any other person or entity, such authority to act on behalf of RWLV as the Member may from time to time deem appropriate in its sole discretion.

***Limitation of Liability.*** The LLC Agreement provides that the Member shall not be personally liable in any manner for any debt, liability or other obligation of RWLV, whether such debt, liability, or other obligation arises in contract, tort or otherwise.

***Indemnification.*** To the fullest extent permitted by applicable law, RWLV shall indemnify the Member for any losses, claims, demands, costs, damages, liabilities, expenses of any nature (including attorneys' fees and disbursements), judgments, fines, settlements, and other amounts (collectively, "Costs") arising from any and all claims, demands, actions, suits, or proceedings (collectively, "Actions") relating to the performance or nonperformance of any act concerning RWLV's activities. To the fullest extent permitted by law, the Member may cause RWLV to indemnify and hold harmless any managers and/or officers against all Costs arising from Actions arising in connection with RWLV's business or by virtue of such manager and/or officer's capacity as an agent of RWLV. All indemnification obligations will be satisfied from RWLV's assets and the Member will have no liability or responsibility for such indemnification obligations.

## DESCRIPTION OF KEEPWELL DEED AND FUNDING AGREEMENTS

*The following contains summaries of certain key provisions of the Keepwell Deed, the Debt Service Funding Agreements, the Change Order Funding Agreement, the Key Money Funding Agreement and certain other funding agreements that will be in effect following the consummation of this offering. Such summaries do not purport to be complete and are qualified in their entirety by reference to the full text of such agreements, which will be made available to you without charge upon written request to us at the address set forth under “Where You Can Find More Information.” Defined terms used in this section shall have the meanings given to them in the applicable agreement.*

### **The Keepwell Deed**

In connection with this offering, RWLV will enter into a Keepwell Deed with Genting Berhad, the Trustee and the Administrative Agent, pursuant to which Genting Berhad will agree to:

- (a) maintain direct or indirect ownership or control of more than 50% of the equity, ordinary voting power or general partnership interests of RWLV, or maintain RWLV as an entity whose financial statements, in accordance with generally accepted accounting principles, are consolidated with those of Genting Berhad; and
- (b) ensure that RWLV’s Consolidated Net Worth as of the last day of each fiscal quarter shall be at least \$300.0 million.

“Consolidated Net Worth” will be defined as the excess of the total assets of RWLV and its consolidated subsidiaries over the total liabilities of RWLV and its consolidated subsidiaries, as determined based on the most recently available quarterly consolidated balance sheet prepared in accordance with U.S. GAAP.

RWLV will notify the Trustee and the Administrative Agent as soon as possible after becoming aware that its Consolidated Net Worth as of the last day of any fiscal quarter of RWLV is not at least \$300.0 million. Absent an event of default under the indenture governing the notes or the Credit Agreement (in which case the Trustee or the Administrative Agent, as applicable, may proceed to enforce the Keepwell Deed directly against Genting Berhad), neither the Trustee nor the Administrative Agent may enforce the performance of the Keepwell Deed by Genting Berhad unless it has given written notice to RWLV requiring it to enforce its rights under the Keepwell Deed and RWLV fails or refuses to take timely action to enforce such rights following such notice, after which the Trustee or the Administrative Agent, as the case may be, may proceed against Genting Berhad to enforce RWLV’s rights under the Keepwell Deed. Notwithstanding the previous sentence, the Trustee and the Administrative Agent may only enforce the provisions of the Keepwell Deed against Genting Berhad if at the time the proceedings for such enforcement are instituted, any principal, interest or fees which have become due and payable on the notes or the Senior Secured Credit Facilities, as applicable, remains unpaid in whole or in part.

The Keepwell Deed will provide that Genting Berhad will be required to use commercially reasonable efforts to obtain any Regulatory Approvals and if Genting Berhad fails to obtain such Regulatory Approvals after using commercially reasonable efforts, Genting Berhad will not be deemed to have breached or violated its relevant obligations under the Keepwell Deed. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

Genting Berhad’s obligations under the Keepwell Deed will terminate on the earliest to occur of (a) (i) as to the Administrative Agent, when no secured obligations remain outstanding under the Senior Secured Credit Facilities and (ii) as to the Trustee, when no notes remain outstanding (other than notes that have been defeased in accordance with the terms of the indenture governing the notes)

and no amounts remain payable under the indenture, and (b) foreclosure (or deed in lieu of foreclosure or other acquisition (including in connection with a bankruptcy or insolvency proceeding)) by the secured parties under the Senior Secured Credit Facilities, the Trustee, the holders of the notes, their designees and/or, in the case of such bankruptcy or insolvency proceeding, any other purchaser (other than Genting Berhad or an affiliate of Genting Berhad), of any direct or indirect equity interests in RWLV or any material portion of RWLV's assets.

The Keepwell Deed will be governed by and construed in accordance with the laws of England and Wales. The courts of England and Wales will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Keepwell Deed. Each of RWLV, Genting Berhad, the Administrative Agent and the Trustee will submit to the jurisdiction of the courts of England and Wales and Genting Berhad will appoint an agent in the United Kingdom for service of process.

The Keepwell Deed is not a guarantee by Genting Berhad for the payment of any obligation, indebtedness or liability of the Issuers or the guarantors under the laws of any jurisdiction, including but not limited to Malaysia. See "Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees."

### **The Debt Service Funding Agreements**

In connection with this offering, GOHL will enter into the Notes Debt Service Funding Agreement with the Trustee, pursuant to which GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee's administrative fees that become due and payable under the notes and the indenture during the Funding Period. Additionally, GOHL will enter into the Facilities Debt Service Funding Agreement with the Administrative Agent, pursuant to which GOHL will agree to pay or cause to be paid all accrued and unpaid interest, all commitment, letter of credit and Administrative Agent's fees, and all regularly scheduled principal repayments, in each case, that become due and payable under the Senior Secured Credit Facilities during the Funding Period.

In the event that RWLV fails to pay such amounts, the Trustee or Administrative Agent, as applicable, will be entitled to notify GOHL in writing and to request payment of such unpaid amounts. GOHL will be required to pay (or cause to be paid) such overdue amounts in immediately available funds within 10 business days of receiving such notice. Any such funding by GOHL (or by any subsidiary or other affiliate of GOHL) will constitute an advance to RWLV or indirect equity investment by GOHL (or such subsidiary or other affiliate) to RWLV and will be made on terms to be determined by RWLV and GOHL that are not prohibited by the indenture and the notes (in the case of the Notes Debt Service Funding Agreement) or the Credit Agreement (in the case of the Facilities Debt Service Funding Agreement). In the event any such funding consists of indebtedness, (i) the Notes Debt Service Funding Agreement provides that such indebtedness will be subordinated to RWLV's obligations under the notes and the indenture, and (ii) the Facilities Debt Service Funding Agreement provides that such indebtedness will be subordinated to RWLV's obligations under the Senior Secured Credit Facilities, in each case, in accordance with the terms of the Notes Debt Service Funding Agreement or the Facilities Debt Service Funding Agreement, as applicable.

So long as the Debt Service Funding Agreements are in effect, GOHL agrees, among other things, that it will (i) maintain its existence, subject to customary exceptions, (ii) maintain or obtain, as applicable, all consents of any governmental authority that are required, and (iii) comply in all material respects with all applicable laws and orders to which it may be subject, in each case if failure to do so would materially adversely affect its ability to perform its payment obligations under the Debt Service Funding Agreements.

The Debt Service Funding Agreements will terminate upon the earliest to occur of (a) the end of the Funding Period, (b) (i) as to the Facilities Debt Service Funding Agreement, when the obligations

under the Senior Secured Credit Facilities have been paid in full and (ii) as to the Notes Debt Service Funding Agreement, when all notes (other than notes that have been defeased in accordance with the terms of the indenture) have been paid in full, and (c) foreclosure (or deed in lieu of foreclosure or other acquisition (including in connection with a bankruptcy or insolvency proceeding)) by the secured parties under the Senior Secured Credit Facilities, the trustee, the holders of the notes, their designees and/or, in the case of such bankruptcy or insolvency proceeding, any other purchaser (other than GOHL or an affiliate of GOHL), of (i) any direct or indirect equity interests in RWLV, (ii) any material portion of RWLV's assets or (iii) any direct or indirect equity interests in any one or more subsidiaries of RWLV that own the Resort.

The Debt Service Funding Agreements will be governed by and construed in accordance with the laws of the State of New York. The courts of the United States District Court, Southern District of New York and the State of New York sitting in the City of New York, County of New York will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Debt Service Funding Agreements. Each of RWLV, GOHL, the Trustee (in the case of the Notes Debt Service Funding Agreement) and the Administrative Agent (in the case of the Facilities Debt Service Funding Agreement) will submit to the jurisdiction of such courts and GOHL will appoint an agent in the United States for service of process.

The Notes Debt Service Funding Agreement is not a guarantee by GOHL for the payment obligation of the Issuers or the guarantors under the notes or the guarantees. See "Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees." In addition, GOHL does not have any obligations in respect of the notes under the Facilities Debt Service Funding Agreement.

#### **The Change Order Funding Agreement**

In connection with this offering, GOHL will enter into the Change Order Funding Agreement with the Trustee and the Administrative Agent, pursuant to which GOHL will agree to fund, from the closing of this offering until the Completion Date, an amount equal to the aggregate sum of all Change Order Funding Gaps minus the aggregate sum of all amounts funded pursuant to the Change Order Funding Agreement prior to such time, to the extent that the funding of such amount is required to cause the Project to satisfy the "in balance" test under the Disbursement Agreement. GOHL will agree to fund the Change Order Funding Obligations into the Borrower Funds Account at any time prior to the Completion Date, (a) with respect to each Change Order Funding Gap created by a material change in the plans and specifications or any other material change to the design, floor plan, architecture or quality of the Project from that which is contemplated on the date of the Change Order Funding Agreement, on or prior to the date of the first borrowing under the Revolving Credit Facility after such material change the proceeds of which will be used to pay Project Costs, in an amount equal to (i) the lesser of (x) 50% of the amount of such Change Order Funding Gap and (y) the amount necessary to cause the "in balance" test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing, there would be at least \$50.0 million of undrawn commitments under the Revolving Credit Facility, and (ii) the lesser of (x) 100% of the Change Order Funding Obligations at such time and (y) the amount necessary to cause the "in balance" test under the Disbursement Agreement to be satisfied at such time, if after giving effect to such borrowing there would be less than \$50.0 million of undrawn commitments under the Revolving Credit Facility; and (b) if at any time (i) the Project is not "in balance" under the Disbursement Agreement and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be "in balance" within 30 days, (ii) the funds in RWLV's accounts subject to the Disbursement Agreement have been exhausted, (iii) there are less than \$50.0 million in remaining undrawn commitments under the Revolving Credit Facility, (iv) the Change Order Funding Obligations exceed zero and (v) Project Costs

are then due and payable, in an amount equal to the lesser of (x) the Project Costs due and payable at such time, (y) the Change Order Funding Obligations at such time and (z) such amount as is necessary to cause the “in balance” test under the Disbursement Agreement to be satisfied at such time. GOHL will be required to pay the applicable amount within 10 business days of receiving such written notice. Any such funding by GOHL (or by any subsidiary or other affiliate of GOHL) will constitute an advance to RWLV or an indirect equity investment by GOHL (or such subsidiary or other affiliate) to RWLV and will be made on terms to be determined by RWLV and GOHL that are not prohibited by the Credit Agreement, the indenture and the notes. In the event any such funding consists of indebtedness, such indebtedness will be subordinated to RWLV’s obligations under the Senior Secured Credit Facilities and under the indenture and the notes in accordance with the terms of the Change Order Funding Agreement.

So long as the Change Order Funding Agreement is in effect, GOHL agrees that it will (i) maintain its existence, subject to customary exceptions; (ii) maintain or obtain, as applicable, all consents of any governmental authority that are required, and (iii) comply in all material respects with all applicable laws and orders to which it may be subject, in each case if failure to do so would materially adversely affect its ability to perform its payment obligations under the Change Order Funding Agreement.

The Change Order Funding Agreement will terminate upon the earliest to occur of (a) the Completion Date (b) (i) as to the Senior Secured Credit Facilities, when the obligations under the Senior Secured Credit Facilities have been paid in full and (ii) as to the notes, when all notes (other than notes that have been defeased in accordance with the terms of the indenture) have been paid in full and (c) foreclosure (or deed in lieu of foreclosure or other acquisition (including in connection with a bankruptcy or insolvency proceeding)) by the secured parties under the Senior Secured Credit Facilities, the trustee, the holders of the notes, their designees and/or, in the case of such bankruptcy or insolvency proceeding, any other purchaser (other than GOHL or an affiliate of GOHL), of (i) any direct or indirect equity interests in RWLV, (ii) any material portion of RWLV’s assets or (iii) any direct or indirect equity interests in any one or more subsidiaries of RWLV that own the Resort.

The Change Order Funding Agreement will be governed by and construed in accordance with the laws of the State of New York. The courts of the United States District Court, Southern District of New York and the State of New York sitting in the City of New York, County of New York will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Change Order Funding Agreement. Each of GOHL, the Administrative Agent and the Trustee will submit to the jurisdiction of such courts and GOHL will appoint an agent in the United States for service of process.

The Change Order Funding Agreement is not a guarantee by GOHL for the payment obligation of the Issuers or the guarantors under the notes or the guarantees. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

### **The Key Money Funding Agreement**

In connection with this offering, GOHL will enter into the Key Money Funding Agreement with the Trustee and the Administrative Agent, pursuant to which GOHL will agree to fund on behalf of RWLV, from the closing of this offering until the Completion Date, Project Costs in an amount equal to the Key Money Funding Gap, to the extent that the funding of such amount is required to cause the Project to be “in balance” under the Disbursement Agreement (such amount required to be funded thereunder by GOHL, the “Key Money Funding Obligation”). A Key Money Funding Gap means, at any date of determination, an amount equal to the excess of (i) \$75.0 million (the “Required Key



Money Amount”) over (ii) the sum of (x) the aggregate amount of Key Money Funding Obligations that have been funded pursuant to the Key Money Funding Agreement prior to such time, *plus* (y) the aggregate amount of “key money” (or similar or equivalent terms) that a manager, licensor and/or franchisor party to a permitted franchise agreement (1) has paid to RWLV or its subsidiaries prior to such date of determination or (2) has a commitment pursuant to a permitted franchise agreement to pay to RWLV or its subsidiaries on or prior to a date that RWLV reasonably anticipates will occur no later than 225 days after the Opening Date.

From and after the date that is 225 days after the Opening Date, in the event that (i) the Project is not “in balance” under the Disbursement Agreement on any date and RWLV or its subsidiaries fail to take such actions as may be necessary for the Project to be “in balance” under the Disbursement Agreement within 30 days, (ii) each of the Project accounts subject to the Disbursement Agreement are exhausted, (iii) there are less than \$50.0 million of undrawn commitments under the Revolving Credit Facility at such time, (iv) the Key Money Funding Obligations exceed zero at such time and (v) there are Project Costs due and payable at such time, the Administrative Agent or the Trustee will be entitled to notify GOHL in writing thereof and request payment from GOHL in an amount equal to the lesser of (x) the Project Costs due and payable at such time and (y) the Key Money Funding Obligations at such time.

GOHL will be required to pay the applicable amount within 10 business days of receiving such written notice. Any such funding by GOHL (or by any subsidiary or other affiliate of GOHL) will constitute an advance or equity investment by GOHL (or such subsidiary or other affiliate) to RWLV and will be made on terms to be determined by RWLV and GOHL that are not prohibited by the Credit Agreement, the indenture and the notes. In the event any such funding consists of indebtedness, such indebtedness will be subordinated to RWLV’s obligations under the Senior Secured Credit Facilities and the notes in accordance with the terms of the Key Money Funding Agreement.

So long as the Key Money Funding Agreement is in effect, GOHL agrees that it will (i) maintain its existence, subject to customary exceptions, (ii) maintain or obtain, as applicable, all consents of any governmental authority that are required, and (iii) comply in all material respects with all applicable laws and orders to which it may be subject, in each case if failure to do so would materially adversely affect its ability to perform its payment obligations under the Key Money Funding Agreement.

The Key Money Funding Agreement will terminate upon the earliest to occur of (a) the Completion Date, (b) (i) as to the Senior Secured Credit Facilities, when the obligations under the Senior Secured Credit Facilities have been paid in full and (ii) as to the notes, when all notes (other than notes that have been defeased in accordance with the terms of the indenture) have been paid in full, and (c) foreclosure (or deed in lieu of foreclosure or other acquisition (including in connection with a bankruptcy or insolvency proceeding)) by the secured parties under the Senior Secured Credit Facilities, the trustee, the holders of the notes, their designees and/or, in the case of such bankruptcy or insolvency proceeding, any other purchaser (other than GOHL or an affiliate of GOHL), of (i) any direct or indirect equity interests in RWLV, (ii) any material portion of RWLV’s assets or (iii) any direct or indirect equity interests in any one or more subsidiaries of RWLV that own the Resort.

The Key Money Funding Agreement will be governed by and construed in accordance with the laws of the State of New York. The courts of the United States District Court, Southern District of New York and the State of New York sitting in the City of New York, County of New York will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Key Money Funding Agreement. Each of GOHL, the Administrative Agent and the Trustee will submit to the jurisdiction of such courts and GOHL will appoint an agent in the United States for service of process.

The Key Money Funding Agreement is not a guarantee by GOHL for the payment obligation of the Issuers or the guarantors under the notes or the guarantees. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell

Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

### **Additional Funding Agreements Relating to the Senior Secured Credit Facilities**

In addition to the agreements described above, GOHL will also enter into an Improper Acts Funding Agreement and an Environmental Indemnity Agreement, in each case, with the Administrative Agent in connection with the Senior Secured Credit Facilities. The Improper Acts Funding Agreement and the Environmental Indemnity Agreement are solely for the benefit of the Administrative Agent and the lenders under the Senior Secured Credit Facilities, and GOHL does not have any obligations under such agreements to noteholders or otherwise in respect of the notes.

#### ***Improper Acts Funding Agreement***

Pursuant to the Improper Acts Funding Agreement, GOHL will agree to pay or cause to be paid to the Administrative Agent for the benefit of the lenders under the Senior Secured Credit Facilities all actual losses, actual damages, reasonable out-of-pocket costs and expenses, liability claims and other obligations incurred by the Administrative Agent, the lenders or the letter of credit issuers arising out of or in connection with (i) fraud (including any intentional misrepresentation or intentionally misleading certification made by RWLV or any of its subsidiaries and delivered in connection with the Credit Documents) and willful misconduct by RWLV and its subsidiaries in connection with the Credit Documents or (ii) misappropriation of insurance proceeds or condemnation proceeds by RWLV, in each case, to the extent such insurance or condemnation proceeds are applied by RWLV in violation of the Credit Documents, to the extent of the proceeds so misappropriated (the “Improper Acts” and the obligations to make such payments, the “Improper Acts Funding Obligations”).

In the event that RWLV engages in any Improper Acts and does not, within 10 business days of being notified of the related losses, indemnify or reimburse the applicable parties in accordance with the applicable provisions of the Credit Agreement or otherwise for such losses, the Administrative Agent will be entitled to notify GOHL in writing of such losses and to request immediate payment in an amount equal to the amount of the related Improper Acts Funding Obligations. GOHL will be required to pay (or cause to be paid) the amount of such Improper Acts Funding Obligations in immediately available funds within 30 days of receiving such notice. Any such funding by GOHL (or by any subsidiary or other affiliate of GOHL) will constitute an advance to RWLV or indirect equity investment by GOHL (or such subsidiary or other affiliate) in RWLV and will be made on terms to be determined by RWLV and GOHL that are not prohibited by the Credit Agreement. In the event any such funding consists of indebtedness, the Improper Acts Funding Agreement provides that such indebtedness will be subordinated to RWLV’s obligations under the Senior Secured Credit Facilities, in accordance with the terms of the Improper Acts Funding Agreement.

So long as the Improper Acts Funding Agreement is in effect, GOHL agrees, among other things, that it will (i) preserve, renew and keep in full force and effect its legal existence, subject to customary exceptions, (ii) maintain or obtain, as applicable, all consents of any governmental authority that are required, and (iii) comply in all material respects with all applicable laws and orders to which it may be subject, in the case of clauses (ii) and (iii), if failure to do so would materially adversely affect its ability to perform its payment obligations under the Improper Acts Funding Agreement.

The Improper Acts Funding Agreement will terminate upon the earlier to occur of (a) payment in full of the obligations under the Senior Secured Credit Facilities, and (b) foreclosure (or deed in lieu of foreclosure or other acquisition (including in connection with a bankruptcy or insolvency proceeding)) by the secured parties under the Senior Secured Credit Facilities, their designees and/or, in the case of such bankruptcy or insolvency proceeding, any other purchaser (other than GOHL or an affiliate of GOHL), of (i) any direct or indirect equity interests in RWLV, (ii) any material portion of RWLV’s

assets or (iii) any direct or indirect equity interests in any one or more subsidiaries of RWLV that own the Resort.

The Improper Acts Funding Agreement will be governed by and construed in accordance with the laws of the State of New York. The courts of the United States District Court, Southern District of New York and the State of New York sitting in the City of New York, County of New York will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Improper Acts Funding Agreement. Each of RWLV, GOHL and the Administrative Agent will submit to the jurisdiction of such courts and GOHL will appoint an agent in the United States for service of process.

### ***Environmental Indemnity Agreement***

Pursuant to the Environmental Indemnity Agreement, GOHL will agree to defend, indemnify and hold the Administrative Agent, each other secured party under the Credit Agreement and each of their respective directors, officers, shareholders, agents, employees, participants, successors and assigns (collectively, the "Indemnified Parties") harmless from and against, and to reimburse the Indemnified Parties for, all direct, actual, documented out-of-pocket costs incurred by such Indemnified Parties to the extent arising out of or attributable to any release of certain hazardous substances specified in the Environmental Indemnity Agreement ("Hazardous Substances") into the environment or on, from, under or within or affecting the mortgaged real property arising prior to any release, reconveyance, foreclosure or conveyance in lieu of foreclosure of the mortgage granted to the secured parties under the Credit Agreement (or following any such release, reconveyance, foreclosure or conveyance, to the extent attributable to pre-existing conditions). GOHL shall within 90 days after receipt of notice or other information that any investigation, site monitoring, containment, cleanup, removal, restoration, precautionary actions or other remedial work (collectively, "Remedial Work") is required and all permits and approvals to commence with such work have been obtained (or such shorter period of time as may be required under applicable law, regulation, order or agreement), and after having had the opportunity to challenge the legality or validity of such Remedial Work as may be provided under applicable law, subject to force majeure, commence or cause to be commenced and thereafter diligently prosecute to completion to the extent required by applicable law, the performance of all such Remedial Work in compliance in all material respects with all applicable environmental laws.

In case any action shall be brought against any Indemnified Party based upon a release described above and in respect of which indemnity may be sought against GOHL, such Indemnified Party shall promptly notify GOHL in writing, and GOHL shall, at its election, assume the defense thereof, including the employment of counsel selected by GOHL and reasonably satisfactory to the Indemnified Party, the payment of all costs and expenses and the right to negotiate and consent to settlement upon the consent of the Indemnified Party. If GOHL elects not to assume any such defense, then such Indemnified Party shall continue such defense. GOHL shall not be liable for any settlement of any such action effected without its consent, but if settled with GOHL's consent, or if there be a final judgment for the claimant in any such action, GOHL agrees to indemnify, defend and hold harmless such Indemnified Party from and against any direct loss or liability by reason of such settlement or judgment.

All costs and expenses of any Remedial Work shall be paid by GOHL, including, without limitation, the charges of any applicable contractor(s), the consulting engineer, and/or the environmental consultant and the Indemnified Parties' reasonable attorneys' fees and costs, including, without limitation, fees and costs incurred in connection with monitoring or review of such Remedial Work. In the event GOHL fails to timely commence, or cause to be commenced, or fail to diligently prosecute to completion, the performance of such Remedial Work, then, following written notice to GOHL and provision of a reasonable opportunity to cure, the Indemnified Party may, but shall not be required to, cause such Remedial Work to be performed and all reasonable, documented costs and

expenses thereof, or incurred in connection therewith, shall be deemed a claim subject to the indemnity provisions of the Environmental Indemnity Agreement.

The obligations of GOHL under the Environmental Indemnity Agreement shall survive the following events, to the maximum extent permitted by applicable law: (i) repayment of the obligations and any judicial or nonjudicial foreclosure under the mortgage granted to the secured parties under the Credit Agreement or conveyance in lieu of such foreclosure or a transfer of any other interest in the mortgaged real property, notwithstanding that all or any portion of any obligations secured by such mortgage shall have been discharged thereby; (ii) any election by any Indemnified Party to purchase all or any portion of the mortgaged real property at a foreclosure sale by crediting all or any portion of the obligations secured by such mortgage against the purchase price therefor (except to the extent and only to the extent that such Indemnified Party has specifically elected in writing in its sole discretion to credit against the purchase price any claims under the Environmental Indemnity Agreement which were liquidated in amount at the time of such foreclosure sale, it being presumed for these purposes that the obligations secured by such mortgage shall be discharged by any such crediting in the order set forth in the of the Credit Agreement); (iii) any release or reconveyance of such mortgage, any waiver of the lien of such mortgage, or any release or waiver of any other security for the obligations under the Senior Secured Credit Facilities; (iv) any termination, cancellation or modification of any Credit Document; (v) the exercise by any Indemnified Party of any remedy under the Environmental Indemnity Agreement or any other Credit Document; and (vi) any suit, proceedings or judgment against GOHL by any Indemnified Party relating to the enforcement of the provisions under the Environmental Indemnity Agreement. Upon and following the occurrence of any of the foregoing, the obligations of GOHL under the Environmental Indemnity Agreement shall remain unsecured obligations, and shall be enforceable against GOHL to the fullest extent permitted by applicable law. Notwithstanding anything to the contrary contained in the Environmental Indemnity Agreement, GOHL shall have no obligations under the Environmental Indemnity Agreement that first accrues after the repayment in full of the Obligations in accordance with the terms and conditions of the Credit Agreement if the Administrative Agent shall have received, at GOHL's sole cost and expense, an environmental inspection report for the mortgaged real property showing that there exists no condition or matter with respect to the mortgaged real property for which the Indemnified Parties are entitled to be indemnified and if such report shows that there may be such a condition or matter, a Phase II report that includes sub-surface soil and ground water testing showing that there exists no such condition or matter.

The Environmental Indemnity Agreement will be governed by and construed in accordance with the laws of the State of New York. The courts of the United States District Court, Southern District of New York and the State of New York sitting in the City of New York, County of New York will have exclusive jurisdiction to settle any disputes that may arise out of or in connection with the Environmental Indemnity Agreement. Each of GOHL and the Administrative Agent will submit to the jurisdiction of such courts and GOHL will appoint an agent in the United States for service of process.

## DESCRIPTION OF DEVELOPMENT AND CONSTRUCTION CONTRACTS FOR THE PROJECT

*The following are summaries of certain key provisions of our development and construction contracts for the Project. Such summaries do not purport to be complete and are qualified in their entirety by reference to the full text of the agreements, which will be made available to you without charge upon written request to us at the address set forth under “Where You Can Find More Information.”*

### **Architect’s Agreement**

We have entered into a contract with Steelman Partners LLP, our architect, regarding the services that it will provide relating to the design, development and construction of the Project (the “Architect’s Agreement”).

**Services.** The architect will provide us with architectural design and related professional services, including without limitation structural, mechanical, electrical and plumbing and fire life safety system engineering, as well as interior design, lighting and landscape design. We are permitted to order changes to the architect’s services, which may include alterations in, additions to or omissions of elements of the Project to be designed and/or constructed.

The architect will serve as the “Architect of Record” for the Project and will be responsible for the preparation, completion and coordination of any drawings, plans and specifications required in connection with its services, and will be the point of authority responsible for the coordination of all drawings, specifications and other documents from any other design parties engaged in connection with the Project.

**Compensation.** The architect’s compensation will be computed according to the schedule attached to the Architect’s Agreement, which, as amended, sets forth the architect’s fixed fees of \$62.8 million and hourly rates for its various employees, as well as other costs, including costs for the architect’s consultants’ services. We are also required to reimburse the architect for various expenses. Payments to the architect are due and payable 45 days from the date of an invoice and we expect that the architect will invoice on a monthly basis. We will be responsible for the compensation of any additional consultants hired by us.

**Indemnification.** The architect has agreed to indemnify us and our parent, subsidiaries, affiliates, partners and lenders, and all of the foregoing’s officers, directors, members, managers, stockholders, partners, employees, representatives and agents, against any claims, demands, liabilities or expense, including reasonable attorney’s fees, to the extent arising out of or related to any material breach of the Architect’s Agreement by, or negligent or willful acts or omissions of, the architect or any of the architect’s consultants. The architect’s liability to us for actions taken in good faith under the Architect’s Agreement is limited to an amount equal to the greater of (i) the amounts payable under the architect’s insurance policies and (ii) \$5.0 million. We have been named as an additional insured under certain of the architect’s insurance policies.

**Termination.** We may terminate the Architect’s Agreement if the architect fails to perform any of its material obligations under the Architect’s Agreement. The architect may terminate the Architect’s Agreement upon not less than 14 days’ written notice if we fail to make payments to the architect in accordance with the Architect’s Agreement. We may also terminate the Architect’s Agreement without cause upon seven days’ notice to the architect. If we exercise this right to terminate the Architect’s Agreement without cause, or if the architect exercises its right to terminate the Architect’s Agreement for cause, the architect shall be entitled to compensation for services performed and reimbursable expenses incurred prior to termination.

## Guaranteed Maximum Price Construction Contract

We have entered into a guaranteed maximum price construction contract with W.A. Richardson, our general contractor, for general construction services for a substantial portion of the construction hard costs of the Project. The contract sum paid under the a guaranteed maximum price construction contract will include the cost of work and W.A. Richardson's fee, which is 2% of the cost of work and any signage, food service equipment, furniture, fixtures and equipment, or operating supplies and equipment that are coordinated by W.A. Richardson at our request, less the total fees paid to W.A. Richardson under our existing construction management agreement (subject to certain conditions and adjustments), up to the guaranteed maximum price. To the extent that the cost of the work exceeds the guaranteed maximum price, W.A. Richardson will bear such costs in excess of the guaranteed maximum price without reimbursement or additional compensation from us. Any unused contingency and savings (calculated as the guaranteed maximum price less the contract sum), will be retained by us. The guaranteed maximum price is approximately \$2.8 billion (subject to various contingent adjustments).

The cost of work includes but is not limited to:

- labor costs, including wages of construction workers, supervisory and administrative personnel, benefits (including those required by law or collective bargaining agreements), and bonuses, profit sharing, incentive compensation and any other discretionary payments consistent with W.A. Richardson's past practices;
- payments to subcontractors;
- costs, including transportation and storage, of materials and equipment incorporated or to be incorporated in the completed construction, *provided* that unused excess materials, if any, shall become our property or, at our option, shall be sold by W.A. Richardson and any amounts realized from such sales shall be credited to us as a deduction from the cost of work;
- costs of other materials, equipment, and temporary equipment, including their transportation, storage, installation, maintenance, dismantling and removal;
- premiums for that portion of insurance and required bonds that can be directly attributed to the guaranteed maximum price construction contract;
- sales, use, or other similar taxes for which W.A. Richardson is liable; and
- fees and assessments for permits, licenses, and inspections for which W.A. Richardson is liable.

Although we have determined the overall scope and general design of the Project, not all of the plans and specifications for the construction components that are the subject of the guaranteed maximum price construction contract have been finalized. See "Risk Factors—Risks Relating to Construction of the Project—The guaranteed maximum price under our guaranteed maximum price construction contract may increase, and we may be responsible for the amount of any increase." The guaranteed maximum price for these components is based on a general "scope of work" schedule to the guaranteed maximum price construction contract and agreed upon design and other premises and assumptions for the detailed plans to be created for the remaining components. If the plans for these components do not substantially conform to the premises and assumptions described in the guaranteed maximum price construction contract, or if we request change orders or change directives of a certain magnitude with respect to these components or any component for which there are final plans or defects or deficiencies in the architectural plans or concealed conditions, we will be responsible for any excess costs. For example, if the initial drawings, when finalized, are inconsistent with the premises and assumptions, we will be responsible for the increase, if any, in the cost to construct the work covered by those drawings over the previously agreed upon amounts designated for such work in the guaranteed

maximum price. The premises and assumptions reflect general concepts and techniques pursuant to which the Project will be constructed.

Where subcontractors are employed, we will have the right to reasonably object to any unsuitable subcontractors, though under certain circumstances, we will be responsible for any increased costs incurred by the subcontractor we ultimately approve. The guaranteed maximum price construction contract provides for payment based on work completed, less retainage.

We will continue to evaluate the Project design in relation to its construction schedule and budget and the demands of the Las Vegas gaming market. Accordingly, the design of individual elements of the Project may be refined from the descriptions contained in this offering circular.

**Competitive Bids.** Unless we specify otherwise, subcontractors will be selected after an open bid process conducted for the purpose of achieving the lowest responsible pricing. W.A. Richardson will submit names of the various prospective subcontractors. We will have the opportunity to reasonably object to any prospective subcontractor. Under certain circumstances, our objection to an otherwise qualified subcontractor may result in an increase to the guaranteed maximum price. Additionally, subcontractor bids may be subject to approval by the Nevada Gaming Authorities, and if any subcontractor is found unsuitable by the Nevada Gaming Authorities, then W.A. Richardson may use the \$50.0 million contingency to cover any unexpected increased costs.

**Substantial Completion.** W.A. Richardson is responsible for achieving “substantial completion” of the work by a guaranteed date of substantial completion. Substantial completion is defined in the guaranteed maximum price construction contract as the stage in the progress of the work when the work or designated portion thereof is sufficiently completed in accordance with the guaranteed maximum price construction contract so that we can occupy and utilize the work for its intended use.

Plans for a material portion of the construction under the guaranteed maximum price construction contract have not been finalized. Delays in completing the remaining drawings and specifications could cause delays in the substantial completion of the work and, under certain circumstances, could defer the obligation of W.A. Richardson to deliver the entire work by the scheduled substantial completion date.

**Insurance.** W.A. Richardson and trade contractors or subcontractors are required to obtain and maintain various insurance policies including standard commercial automobile liability insurance, statutory workers’ compensation insurance, employer’s liability insurance and commercial general liability insurance, in each case other than in the case of workers’ compensation insurance, naming RWLV, Genting Leisure LLC, Genting Assets, Peak Avenue Limited, Genting Malaysia, Genting Americas, Genting New York and their respective parents, affiliates, subsidiaries, members, managers, directors, shareholders, officers, partners, insurance carriers, sureties, agents, and employees as additional insureds. Each of the policies is subject to certain deductibles, co-payments, exceptions, exclusions and qualifications.

Additionally, we are required to maintain builder’s risk insurance, contractors’ professional liability insurance, and an owner controlled insurance program that includes various insurance policies such as workers’ compensation insurance, employer’s liability insurance, commercial general liability insurance and excess liability insurance.

**Payment.** W.A. Richardson must make itemized applications for payment based on an approved schedule of values. We are entitled to retain 5% of W.A. Richardson’s fee and 5% of the cost of work due under the monthly applications for payment until the work is complete and has been approved by us and other conditions for release set forth in the guaranteed maximum price construction contract have been satisfied, subject to certain reduction of such amounts as allowed by the terms of the guaranteed maximum price construction contract.

**Warranties, Covenants and Guarantees.** W.A. Richardson provides a general construction warranty against defective work that covers the completed work, in addition to any other warranty provided by the guaranteed maximum price construction contract and by law. The guaranteed maximum price construction contract further provides that W.A. Richardson shall assign to us all warranties made available to W.A. Richardson by any supplier of materials and equipment included in the work.

Furthermore, W.A. Richardson represents and warrants that it possesses a standard level of experience and expertise in business administration, construction, construction management and superintendence of projects of the size, complexity and nature of the Project and will perform with the degree of care, skill and diligence of such a general contractor. W.A. Richardson further covenants that it will perform the work in an expeditious and economical manner consistent with our interests. W.A. Richardson further represents and warrants that it is authorized to do business by the State of Nevada and is properly licensed by necessary governmental, public, and quasi-public authorities having jurisdiction over it, the work and the Project.

**Indemnification.** W.A. Richardson has agreed to indemnify us, our agents, and our employees, among others, from all claims, damages (other than consequential damages), losses, and expenses (including, without limitation, attorney's fees) that result from or arise out of performance of the work, *provided* that they are caused by the negligent acts or omission of W.A. Richardson, any subcontractor of W.A. Richardson, or anybody directly or indirectly employed by them or for whose acts they may be held liable, and *provided further*, that they relate to bodily injury, sickness, disease or death or injury to or destruction of tangible property (other than the work itself).

W.A. Richardson will also indemnify against mechanics' liens filed by subcontractors relating to the work, *provided* that we have paid W.A. Richardson related amounts undisputedly due under the guaranteed maximum price construction contract, and W.A. Richardson shall hold us harmless from suits or claims for infringement of copyrights and patent rights with certain exceptions.

We have no contractual indemnification obligations toward W.A. Richardson, except to the extent provided for in the guaranteed maximum price construction contract relating to hazardous materials not included within the scope of W.A. Richardson's remediation and disposal obligations under the guaranteed maximum price construction contract.

**Termination of the Guaranteed Maximum Price Construction Contract.** In addition to the right to terminate the guaranteed maximum price construction contract for cause, we may terminate the contract for our convenience at any time and under any circumstances by providing written notice to W.A. Richardson. If we so terminate the guaranteed maximum price construction contract, W.A. Richardson will, among other things, only complete any work not cancelled and cancel all existing orders to vendors and subcontractors relating to terminated work.

**Claims.** All claims by W.A. Richardson relating to the guaranteed maximum price construction contract must be made to us no later than 21 days after the occurrence of the event giving rise to such claim or within 21 days after W.A. Richardson first recognizes the condition giving rise to the claim, whichever is later. The guaranteed maximum price construction contract is to be interpreted under, and enforced in accordance with, the laws of the State of Nevada.

## **Development Agreement**

In November 2007, the former owners of the property on which the Resort is being built entered into a development agreement with Clark County (as amended, the "Development Agreement"), whereby they agreed, in exchange for assurance from Clark County that they would be able to develop the Echelon project in accordance with the terms specified therein, to provide certain services in connection with the development of such project. In connection with our acquisition of the property, we became a party to the Development Agreement, the material terms of which are outlined below.



### ***LVMPD***

The agreement provides for a contribution of \$0.2 million to the Las Vegas Metropolitan Police Department (“LVMPD”) towards a future LVMPD station which will provide services to the Project, which amount has been paid in full. Additionally, we agreed that we would provide radio signal redistribution systems, a radio equipment room, and access to the site for annual field testing radio coverage to LVMPD and the Clark County Fire Department (“CCFD”) in order to support their operations, subject to certain terms specified in the Development Agreement.

### ***Fire Department***

The agreement provides for aggregate contributions of approximately \$5.0 million to Clark County in connection with the construction of a fire facility, the purchase of a fire engine, an aerial truck and the subsidization of salaries and benefits of two fire inspectors and a fire plan checker. Additionally, we agreed to install and house a communications system in accordance with CCFD guidelines.

### ***Master Transportation Study***

We have agreed to prepare and submit a comprehensive transportation study (the “Master Transportation Study”) to Clark County in relation to the Project and to construct the roadway and traffic improvements identified in the Master Transportation Study at our own expense. The Master Transportation Study will address the anticipated benefit from mass transit services to the Project and will include the development of the relevant traffic signal timing patterns. Clark County may require us to submit an update to the Master Transportation Study under certain circumstances outlined in the Development Agreement.

Additionally, we agreed to pay a total cash contribution of \$8.0 million with respect to each leg of construction of a pedestrian grade separation system at or near the intersection of Resorts World Drive and Las Vegas Boulevard South. In addition to this cash contribution, we have agreed to construct certain improvements and mitigation measures, including but not limited to fire hydrants, sidewalks, curbs, gutters, pavement, gravel, streetlights, street name signs, traffic signals and signs, pavement markings, other applicable traffic control devices, survey monuments, floor control, drainage facilities, additional through travel lanes, turning lanes, and modifications to existing traffic signals, each in a manner acceptable to Clark County.

### ***Water Reclamation***

We have agreed that, prior to the issuance of an occupancy permit, we will design and construct a bioxide station for the Project, the design and location of which will be approved by the Clark County Water Reclamation District. We have also agreed to operate and maintain the bioxide station and to provide the chemicals to operate it for as long as the Resort is in use.

### ***Residential Construction Tax***

With respect to any resort condominium units constructed as part of the Project, we have agreed that, prior to the issuance of an occupancy permit or temporary occupancy permit relating to the structure or building in which such units are located, we will pay to Clark County \$1,000 per unit in lieu of any residential construction tax related thereto, which amount will be contributed towards the construction of regional parks within Clark County, Nevada.

### ***Decommissioning Plan and Performance Agreement***

Pursuant to our obligations under the Development Agreement, we were required to, and have, (i) submitted to Clark County a decommissioning plan (the “Decommissioning Plan”) that specifies the

actions we will be obligated to take in the event that construction of the Project is abandoned and (ii) executed a Cash in Lieu of Bond Agreement and Deposit Account Control Agreement with Clark County and Citibank, N.A. in order to secure the full and complete implementation of the actions identified in the Decommissioning Plan (the “Security”). Pursuant to these agreements, we made a cash deposit of approximately \$10.3 million into a designated escrow account, to be used for the sole purpose of fulfilling our obligations under the Decommissioning Plan. We and Clark County also entered into a Performance Agreement outlining our respective obligations with respect to the Decommissioning Plan and the Security, including our obligation to pay any decommissioning expenses in excess of the amount of the Security.

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

### **Related Party Transactions Entered Into Prior to this Offering**

#### *Prior Equity Contributions*

Prior to this offering, Project Costs have been paid on our behalf by Genting Assets, our indirect parent company and an indirect wholly owned subsidiary of Genting Berhad, with cash contributed to Genting Assets for such purpose by Genting Berhad and certain of its subsidiaries. As of December 31, 2018, an aggregate amount of \$1,053.3 million in Project Costs had been paid on our behalf by Genting Assets, which payments were recorded on our balance sheet as an intercompany liability. In January 2019, we completed the Genting Loan Exchange, pursuant to which this liability was converted by Genting Assets into an indirect limited liability company member interest in us. As of the closing of this offering, we expect Genting Assets will have paid approximately \$180.6 million in additional Project Costs on our behalf in exchange for additional indirect limited liability company member interests (including approximately \$1.7 million in additional Project Costs to be paid by Genting Assets on our behalf after the date of this offering circular and prior to the closing of this offering).

#### *Services Agreement*

In August 2013, we entered into the Services Agreement with Genting New York, a wholly owned subsidiary of Genting Malaysia and the operator of RWNYC, whereby Genting New York has agreed to provide us with support services, including, but not limited to, support services related to finance and management, accounting, legal, licensing and compliance, accounts payable and treasury, corporate affairs, project management, liaising with applicable U.S. authorities for and on our behalf, sales and marketing, human resources and recruitment, insurance, property development, and procurement support, at a cost of the total direct and indirect costs incurred by Genting New York to provide such services plus a 6% markup. The Services Agreement can be terminated by either party by giving a 30-day notice of its intention to terminate. We incurred costs of approximately \$0.5 million, \$0.5 million and \$0.9 million under the Services Agreement during the years ended December 31, 2016, 2017 and 2018, respectively.

### **Related Party Transactions Proposed in Connection with the Project and this Offering**

#### *License Agreements*

We intend to enter into the GIP License Agreement with GIP, a wholly owned subsidiary of Genting Berhad, and therefore, our rights to the below described trademarks are dependent upon the rights of GIP to these marks, some of which are licensed to GIP by its licensors. The Licensed IP, which includes “Resorts World,” “Resorts World Las Vegas” and related trademarks and certain know-how, will be licensed or sublicensed to us by GIP for use in connection with the development, marketing, sales, management and operation of the Resort, and advertising and promotion related thereto. In consideration of the licenses granted under the GIP License Agreement, we are required to pay GIP a royalty of up to 2.63% of gross revenue derived from the Resort. The license will provide for the non-exclusive use of the Licensed IP by RWLV and its affiliates for a term of 45 years from the date the Resort opens to the public. We have certain restrictions on our ability to grant sublicenses under the Licensed IP, and our use of the Licensed IP is subject to certain ongoing quality control standards and approval requirements to protect the associated goodwill. We have agreed to indemnify GIP and its affiliates for unauthorized, unlawful or improper use of the Licensed IP, our negligence, recklessness or wrongful intentional acts or omissions, violations of law, or breach of the GIP License Agreement, including the scope of the license granted to us thereunder.

GIP may terminate the GIP License Agreement upon a change of control of RWLV, a foreclosure or other action by our creditors, an insolvency, bankruptcy or similar event or proceeding, our uncured

breach of the GIP License Agreement, or if we take certain action that impairs the Licensed IP or GIP's gaming qualifications or standing to conduct its business, if the use of the Licensed IP is no longer permitted under law, if we cease using the licensed trademarks or cease to operate or manage the Resort, if we contest, oppose, dispute or challenge the Licensed IP, if the Resort does not open to the public by December 31, 2021 or such later permissible date, or if GIP is directed to cease doing business with us. We may terminate the GIP License Agreement upon GIP's uncured breach of the GIP License Agreement or for other reasons, such as if GIP takes certain action that impairs our standing to conduct our business, or an insolvency or bankruptcy proceeding of GIP. The GIP License Agreement also will terminate upon termination of GIP's upstream licenses with its licensor unless RWLV elects to continue with respect only to the Resorts World intellectual property.

We also intend to enter into the RWLV License Agreement with an affiliate of Genting Berhad, under which we will license from such affiliate, for a nominal amount, certain trademarks and other intellectual property specific to the management and operation of the Resort. Any future intellectual property generated by us in the course of the management and operation of the Resort will be assigned to such affiliate and licensed back to us under the RWLV License Agreement.

### ***Keepwell Deed***

In connection with this offering, RWLV will enter into a Keepwell Deed with Genting Berhad, the Trustee and the Administrative Agent, pursuant to which Genting Berhad will agree to:

(a) maintain direct or indirect ownership or control of more than 50% of the equity, ordinary voting power or general partnership interests of RWLV, or maintain RWLV as an entity whose financial statements are consolidated, in accordance with generally accepted accounting principles, with those of Genting Berhad; and

(b) ensure that RWLV's Consolidated Net Worth as of the last day of each fiscal quarter shall be at least \$300.0 million.

For additional information, see "Description of Keepwell Deed and Funding Agreements—The Keepwell Deed."

### ***Funding Agreements***

In connection with this offering, GOHL will enter into:

- a Notes Debt Service Funding Agreement with the Trustee, pursuant to which GOHL will agree to pay or cause to be paid all accrued and unpaid interest and Trustee's administrative fees that become due and payable under the notes and the indenture during the Funding Period, as described under "Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements";
- a Facilities Debt Service Funding Agreement with the Administrative Agent, pursuant to which GOHL will agree to pay or cause to be paid all accrued and unpaid interest, all commitment, letter of credit and Administrative Agent's fees, and all regularly scheduled principal repayments that become due and payable under the Senior Secured Credit Facilities during the Funding Period, as described under "Description of Keepwell Deed and Funding Agreements—The Debt Service Funding Agreements";
- a Change Order Funding Agreement with the Trustee and the Administrative Agent, pursuant to which GOHL will agree to fund, from the closing of this offering until the Completion Date, an amount equal to the aggregate sum of all Change Order Funding Gaps minus the aggregate sum of all amounts funded pursuant to the Change Order Funding Agreement prior to such time, to the extent that the funding of such amount is required to cause the Resort to satisfy the "in

balance” test under the Disbursement Agreement, as described under “Description of Keepwell Deed and Funding Agreements—The Change Order Funding Agreement”; and

- a Key Money Funding Agreement with the Trustee and the Administrative Agent, pursuant to which GOHL will agree to pay or cause to be paid up to \$75.0 million of “key money” to the extent that RWLV and its subsidiaries do not receive, and do not enter into definitive management and/or franchise agreements providing for the payment by the Flag Hotels of, at least \$75.0 million of “key money” on or prior to a date that RWLV reasonably anticipates will occur no later than 225 days after the Opening Date and the funding of such amount is required to cause the Project to be “in balance” under the Disbursement Agreement, as described under as described under “Description of Keepwell Deed and Funding Agreements—The Key Money Funding Agreement.”

In addition to the agreements described above, in connection with the Senior Secured Credit Facilities, GOHL will also enter into an Improper Acts Funding Agreement and an Environmental Indemnity Agreement with the Administrative Agent as described under “Description of Keepwell Deed and Funding Agreements—Additional Funding Agreements Relating to Senior Secured Credit Facilities.”

### *Energy Services Agreement*

In connection with the operation and maintenance of the Resort (including the operation of the Resort’s heating, air conditioning, and ventilation systems), RWLV will enter into an energy services agreement (the “Energy Services Agreement”) with its wholly owned subsidiary, RWLV CUP LLC (the “Energy Services Provider”), under which the Energy Services Provider will provide RWLV with certain energy products and services, including thermal energy (hot water and chilled water), electricity, and natural gas (the “Energy Services”), from the CUP. The CUP, which has already been partially completed with funds contributed by or on behalf of the Energy Services Provider, will be finished under our guaranteed maximum price construction contract with W.A. Richardson and then transferred, along with a leasehold interest in and to the real property on which it is located (with an annual rent of \$1.00), to the Energy Services Provider upon completion. The Energy Services Agreement will have an initial term of 25 years.

Under the Energy Services Agreement, the Energy Services Provider will source and provide all of the Resort’s hot water, chilled water, electricity, and natural gas requirements at cost with no markup. The Energy Services Provider intends to source all electricity initially from the local electric utility provider, Nevada Power Company, and all natural gas from the local natural gas utility provider, Southwest Gas Company. Hot and chilled water will be produced by the Energy Services Provider at the CUP. The Resort will receive its own raw and potable water directly from connections with local water suppliers, including the Las Vegas Valley Water District.

In addition to paying for the cost of the Energy Services, RWLV will also pay to the Energy Services Provider the following amounts under the Energy Services Agreement:

- a fixed charge fee that will allow the Energy Services Provider to recover over the term of the agreement those capital contributions expended by it (or on its behalf) in connection with the construction of the CUP (approximately \$102.7 million), based on an interest rate equal to the Citibank, N.A. prime rate plus 2.0% per annum from time to time; and
- reimbursement on a monthly basis of all costs and expenses incurred by the Energy Services Provider in connection with the operation and maintenance of the CUP.

In the event that any capital improvements to the CUP are made during the term of the Energy Services Agreement (whether at the request of RWLV or as necessary to maintain the functionality or operability of the CUP), the Energy Services Provider will be entitled to recover the costs of such

improvements (and the cost of any financing related thereto) from RWLV under the Energy Services Agreement over the earlier of: (i) the useful life of such improvements; or (ii) the remaining term of the Energy Services Agreement, at an interest rate that reflects the CUP's cost of funds.

The rights of RWLV under the Energy Services Agreement will be collaterally assigned to the Administrative Agent under the Senior Secured Credit Facilities as security for RWLV's obligations thereunder.

***Shared Services Agreement***

We intend to enter into a shared services agreement (the "Shared Services Agreement") with RWLV Services LLC ("Services"), a wholly owned subsidiary of RWLV Holdings, whereby Services will agree to provide us with certain back-office support services. We expect the Shared Services Agreement to have substantially the same terms and conditions as the Services Agreement described above under "—Related Party Transactions Entered Into Prior to this Offering—Services Agreement."

***Closing Date Equity Contribution***

In connection with the consummation of this offering, we will consummate the Closing Date Equity Contribution, pursuant to which Genting Berhad, through certain of its subsidiaries, will make an indirect cash equity contribution to RWLV of approximately \$516.1 million to be deposited in the Borrower Funds Account. See "Offering Circular Summary—Financing Transactions."

## DESCRIPTION OF SENIOR SECURED CREDIT FACILITIES

*The following is a summary of certain key provisions of the Credit Agreement governing our Senior Secured Credit Facilities. Such summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Credit Agreement, which will be made available to you without charge upon written request to us at the address set forth under “Where You Can Find More Information.”*

### General

Concurrently with the issuance of the notes, RWLV expects to enter into the new \$1,600.0 million Senior Secured Credit Facilities, which will consist of a \$400.0 million five-year term loan facility (the “Term Loan Facility”) and a \$1,200.0 million five-year revolving credit facility (the “Revolving Credit Facility”), with a syndicate of lenders. The Revolving Credit Facility includes a letter of credit sub-facility in an amount not to exceed \$200.0 million prior to the date that is 30 days after the Completion Date and \$75.0 million on and after the date that is 30 days after the Completion Date. The closing of this offering and issuance of the notes offered hereby is conditioned on the prior or concurrent closing of the Senior Secured Credit Facilities, borrowing of \$400.0 million under the Term Loan Facility and the consummation of the Closing Date Equity Contribution. See “Use of Proceeds.”

The Credit Agreement will require quarterly amortization payments in respect of the Term Loan Facility in an amount equal to 1.25% of the original aggregate principal amount of the Term Loan Facility, with the balance due at maturity, which payments will commence on the last business day of the earlier of (i) the fifth full fiscal quarter after the Opening Date and (ii) the fiscal quarter ending September 30, 2022.

From and after the Opening Date, the Credit Agreement allows RWLV to request one or more incremental term loan facilities and/or revolving credit facilities in an unlimited aggregate principal amount subject to RWLV’s pro forma compliance with the Financial Covenants (as defined below), certain customary conditions and receipt of commitments by existing or additional financial institutions or institutional lenders.

All future borrowings under the Credit Agreement are subject to the satisfaction of customary conditions, including the absence of a default and the accuracy of representations and warranties, subject to certain exceptions. See “Risk Factors—Risks Relating to Construction of the Project—Our ability to access the various financing components for the Project is subject to certain conditions, not all of which may be satisfied.”

### Interest Rate and Fees

Generally, borrowings made under the Senior Secured Credit Facilities will bear interest at a rate equal to, (a) at RWLV’s election (i) LIBOR determined by reference to the costs of funds for eurodollar deposits for the interest period relevant to such borrowing, adjusted for certain additional costs; *provided* that in no event shall such rate be less than zero or (ii) a base rate determined by reference to the highest of (but not less than 1.00%) (x) the federal funds rate plus 0.50%, (y) the prime rate as determined by the administrative agent and (z) the one-month adjusted LIBOR rate plus 1.00%, plus (b) an applicable margin. The applicable margin will be determined by RWLV’s public corporate family rating from Moody’s, public corporate credit rating from S&P, or equivalent public corporate credit rating from Fitch (the “Corporate Family Rating”), and will range between 1.500% and 1.875% per annum in the case of any LIBOR loan and between 0.500% and 0.875% per annum in the case of any base rate loan.

In addition, RWLV will be required to pay commitment fees in respect of unfunded commitments under the Revolving Credit Facility, equal to a percentage per annum, which will be determined by the Corporate Family Rating and will range between 0.100% and 0.250%. RWLV is also required to pay

customary agency fees as well as letter of credit participation fees computed at a rate per annum equal to the applicable margin for LIBOR borrowings on the dollar equivalent of the daily stated amount of outstanding letters of credit, plus such letter of credit issuer's customary documentary and processing fees and charges and a fronting fee in an amount equal to 0.125% of the daily stated amount of such letter of credit.

### **Mandatory and Optional Principal Payments; Reduction in Aggregate Commitment**

The Credit Agreement requires RWLV to prepay the Term Loan Facility, subject to certain exceptions, with (a) 100% of the net cash proceeds of certain non-ordinary course asset sales or certain casualty events or liquidated damages, in each case subject to certain exceptions and *provided* that RWLV may (i) reinvest such proceeds within 12 months or (ii) contractually commit to reinvest such proceeds within 12 months, in which case RWLV must so reinvest by the later of the end of such 12 month period or 6 months after entering into such commitment, to be used in its business, or certain other permitted investments; and (b) 100% of the net cash proceeds of any issuance or incurrence of debt, other than proceeds from debt (other than certain refinancing debt) permitted under the Credit Agreement.

RWLV may, from time to time, voluntarily reduce the unutilized portion of the commitments under the Revolving Credit Facility or repay outstanding revolving loans thereunder (subject to minimum repayment amounts and customary notice periods) without premium or penalty (other than customary breakage costs). RWLV may, from time to time, voluntarily repay outstanding term loans under the Term Loan Facility (subject to minimum repayment amounts and customary notice periods) without premium or penalty (other than customary breakage costs).

### **Security and Guarantees**

The obligations under the Credit Agreement will be fully and unconditionally guaranteed, on a senior secured basis, by each of RWLV's existing and future material, domestic wholly owned restricted subsidiaries, subject to customary exceptions. In addition, the obligations under the Credit Agreement and the guarantees of those obligations will be secured by a first priority security interest in substantially all of the existing and future assets of RWLV and the guarantors, including a pledge of the capital stock of the domestic restricted subsidiaries held by RWLV and the guarantors and 65% of the voting capital stock and 100% of the non-voting capital stock of the first-tier foreign restricted subsidiaries held by RWLV and the guarantors, but excluding (i) the Future Land, (ii) the amounts deposited in the Borrower Funds Account, (iii) the net proceeds of this offering deposited in the Notes Proceeds Account, (iv) our rights under the License Agreements, and (v) certain other customary exceptions.

### **Events of Default**

The Credit Agreement will contain customary events of default, including payment defaults, breaches of representations and warranties, breaches of covenants, cross-defaults to certain other material indebtedness in excess of specified amounts, cross-defaults to the Disbursement Agreement, the Keepwell Deed or the Funding Agreements, failure of the guarantees, the Keepwell Deed or the Funding Agreements or grants of security, license revocations, certain ERISA events, certain events of bankruptcy and insolvency and judgment defaults in excess of specified amounts.

### **Covenants**

The Credit Agreement will contain customary affirmative and negative covenants for credit facilities of this type, including limitations on RWLV and certain of its subsidiaries with respect to, among other things, indebtedness, liens, restricted payments, certain payments of indebtedness,



investments, mergers and acquisitions, disposition of assets and transactions with affiliates. The covenants will permit RWLV to use proceeds of the Senior Secured Credit Facilities to pay fees and expenses in connection with the offering of the notes, to pay our remaining Project Costs and working capital requirements and, from and after the Opening Date, other general corporate purposes (including capital expenditures, permitted acquisitions and permitted investments). The Credit Agreement also contains financial covenants that will require RWLV, at the end of each fiscal quarter (beginning with the fifth full fiscal quarter after the Opening Date) to maintain (a) a maximum senior secured net leverage ratio and (b) a minimum interest coverage ratio, in each case, at levels as set forth in the Credit Agreement (together, the “Financial Covenants”).

## DESCRIPTION OF DISBURSEMENT AGREEMENT

*The following summarizes certain key provisions of the Disbursement Agreement. Such summary does not purport to be complete and is qualified in its entirety by reference to the full text of the Disbursement Agreement, which will be made available to you without charge upon written request to us at the address set forth under “Where You Can Find More Information.” Defined terms used in this section shall have the meaning given to them in the Disbursement Agreement.*

In connection with the consummation of this offering, we will enter into a Disbursement Agreement with the Trustee, the Disbursement Agent and the Administrative Agent.

### General

Pursuant to the Disbursement Agreement, proceeds from the Closing Date Equity Contribution, the net proceeds from the issuance of the notes and any borrowings under the Senior Secured Credit Facilities intended to be used for our remaining Project Costs will be deposited into one or more segregated accounts. Funds from these accounts will then be disbursed by the Disbursement Agent pursuant to the terms of the Disbursement Agreement.

The Disbursement Agreement will, among other things, set forth the conditions to, and the relative sequencing of, the disbursements of funds from these accounts. The Disbursement Agreement also will set forth the mechanics for approving change orders and amendments to the Project budget, scope, construction contracts and the schedule for the construction period. CBRE, as the independent construction consultant on behalf of the holders of notes and the secured parties under the Senior Secured Credit Facilities, will be required to approve certain portions of each request by us for the disbursement of funds, other than any request for the disbursement of funds from the Borrower Funds Account prior to the initial disbursement from the Notes Proceeds Account. The Disbursement Agreement will also include certain representations, warranties and covenants to be made by us.

The requirements for the Opening Date under the Disbursement Agreement to occur include, among other things, that the Resort with the Minimum Facilities is substantially complete in accordance with the final plans and specifications, the Resort is open to the public and operating with the Minimum Facilities, receipt of a permanent or temporary certificate of occupancy with respect to the Minimum Facilities and delivery of certain certifications by the Construction Consultant. See “Description of Disbursement Agreement—Termination and Amendments to Disbursement Agreement.”

### Project Accounts

***Borrower Funds Account.*** Substantially concurrently with the consummation of this offering, approximately \$516.1 million, consisting of the net proceeds from the Closing Date Equity Contribution, will be deposited into one or more segregated accounts (collectively, together with such additional accounts that may be established from time to time, the “Borrower Funds Account”). Until the termination of the Disbursement Agreement, RWLV will be required to deposit into the Borrower Funds Account (i) all amounts funded under the Change Order Funding Agreement and the Key Money Funding Agreement and (ii) all proceeds from insurance policies (other than the proceeds of business interruption insurance) related to any casualty at the Resort (“Insurance Proceeds”) that will be applied to the restoration, improvement or repair of the Resort that are received prior to the initial disbursement from the Notes Proceeds Account. In addition, except as otherwise set forth in the Disbursement Agreement, RWLV will also be permitted to deposit any additional funds available to it (other than from borrowings under the Senior Secured Credit Facilities or, after the initial disbursement from the Notes Proceeds Account, Insurance Proceeds) into the Borrower Funds Account.

Amounts on deposit in the Borrower Funds Account from time to time will be used, prior to any funds in the Notes Proceeds Account or the Loan Proceeds Account, to fund our remaining Project Costs and certain fees. The Disbursement Agent will disburse funds from the Borrower Funds Account only upon the satisfaction of the applicable disbursement conditions set forth in the Disbursement Agreement. The disbursement of funds from the Borrower Funds Account will not be subject to many of the disbursement conditions applicable to the disbursement of funds from other accounts prior to the first disbursement from the Notes Proceeds Account.

**Notes Proceeds Account.** Substantially concurrently with the consummation of this offering, the net proceeds from this offering of the notes will be deposited into one or more segregated accounts (collectively, together with such additional accounts that may be established from time to time, the “Notes Proceeds Account”).

Amounts on deposit in the Notes Proceeds Account from time to time will be used, prior to any funds in the Loan Proceeds Account, to pay (or to reimburse expenditures for) our remaining Project Costs and certain fees. Subject to certain exceptions, the Disbursement Agent will disburse funds from the Notes Proceeds Account only upon the satisfaction (or waiver by the Administrative Agent) of the disbursement conditions set forth in the Disbursement Agreement.

Until disbursed into the Cash Management Account or the Construction Disbursement Account, all amounts on deposit in or credited to the Notes Proceeds Account will be subject to a first priority security interest in favor of the holders of the notes.

**Loan Proceeds Account.** Substantially concurrently with the consummation of this offering, approximately \$376.7 million, consisting of the net proceeds from the borrowings under the Term Loan Facility, will be deposited into one or more segregated accounts (collectively, together with such additional accounts that may be established from time to time in accordance with the Disbursement Agreement, the “Loan Proceeds Account”). Prior to the Opening Date, RWLV will also be required to deposit into the Loan Proceeds Account any borrowings under the Revolving Credit Facility intended to be used to pay (or to reimburse expenditures for) our remaining Project Costs and the Insurance Proceeds that will be applied to the restoration, improvement or repair of the Resort that are received after the initial disbursement from the Notes Proceeds Account.

All such funds will be held in the Loan Proceeds Account and disbursed in accordance with the Disbursement Agreement. Until disbursed into the Cash Management Account or the Construction Disbursement Account, all amounts on deposit in or credited to the Loan Proceeds Account will be pledged to the Administrative Agent for the benefit of the secured parties under the Senior Secured Credit Facilities. Subject to certain exceptions, the Disbursement Agent will disburse funds from the Loan Proceeds Account only upon the satisfaction (or waiver by the Administrative Agent) of the disbursement conditions set forth in the Disbursement Agreement. All funds and other assets once disbursed to the Construction Disbursement Account or Cash Management Account will be pledged to the Administrative Agent for the benefit of the secured parties under the Senior Secured Credit Facilities.

**Cash Management Account.** From time to time at RWLV’s request, the Disbursement Agent will deposit into a cash management account (together with such additional accounts that may be established from time to time, the “Cash Management Account”) an amount withdrawn by the Disbursement Agent from the Borrower Funds Account, the Notes Proceeds Account or the Loan Proceeds Account. Amounts on deposit in the Cash Management Account may be withdrawn (including withdrawals to be deposited in RWLV’s and its subsidiaries’ operating accounts for the payment of Project Costs) from time to time to pay our remaining Project Costs (including payroll and the reimbursement of payroll charges and expenses in accordance with Permitted Management Agreements) then due and payable in accordance with the terms of the Disbursement Agreement. The

Disbursement Agent will from time to time replenish the Cash Management Account at our request, *provided* that the aggregate amount on deposit in the Cash Management Account at any time will not exceed \$30.0 million plus an amount that, in the good faith determination of RWLV, will be required to be applied for payroll purposes or to pay or reimburse payroll charges and expenses in accordance with any permitted franchise agreement (the “Cash Management Allowance”). The Cash Management Account will not be subject to many of the conditions that will be applicable to the other disbursement accounts under the Disbursement Agreement.

All amounts on deposit in or credited to the Cash Management Account will be pledged to the Administrative Agent for the benefit of the secured parties under the Senior Secured Credit Facilities.

***Construction Disbursement Account.*** From time to time at RWLV’s request, the Disbursement Agent will deposit into one or more construction disbursement accounts (together with such additional accounts that may be established from time to time, the “Construction Disbursement Account”) funds withdrawn by the Disbursement Agent from the Borrower Funds Account, the Notes Proceeds Account or the Loan Proceeds Account. Subject to certain exceptions, amounts on deposit in the Construction Disbursement Account may be withdrawn (including withdrawals to be deposited in RWLV’s and its subsidiaries’ operating accounts for the payment of Project Costs) to pay Project Costs then due and payable, in each case, as reflected in the disbursement request pursuant to which such amounts were transferred to such account.

All amounts on deposit in or credited to the Construction Disbursement Account will be pledged to the Administrative Agent for the benefit of the secured parties under the Senior Secured Credit Facilities.

***Funding Order.*** The Disbursement Agreement will establish the conditions and sequencing order in which funds from the various sources will be made available to us. Under the Disbursement Agreement we will pay for costs associated with the construction of the Resort in the following order:

- first, by using funds from time to time on deposit in the Borrower Funds Account, until such account is exhausted;
- second, by using funds on deposit in the Notes Proceeds Account until such account is exhausted; and
- third, by using funds on deposit in the Loan Proceeds Account, until such accounts are exhausted.

In each case, the funds disbursed from the above-mentioned accounts will be transferred, from time to time, from these accounts to the Construction Disbursement Account and the Cash Management Account and applied to pay Project Costs and the other permitted uses of funds in accordance with the Disbursement Agreement. Subject to certain conditions, funds may also be disbursed to the Cash Management Account to pay company payroll and the reimbursement of payroll charges and expenses in accordance with Permitted Management Agreements and Project Costs in accordance with the Disbursement Agreement.

***Funding Conditions during Construction.*** We will have the right from time to time to submit a request to the Disbursement Agent for the disbursement of funds in the funding order described above from the Borrower Funds Account, the Notes Proceeds Account or the Loan Proceeds Account, as applicable. Disbursement requests with respect to the Notes Proceeds Account and the Loan Proceeds Account may be made no more frequently than once per calendar month. We will be required to satisfy certain conditions precedent to the disbursement of funds in respect of Project Costs (unless such conditions are otherwise waived in accordance with the Disbursement Agreement) from and after the first disbursement from the Notes Proceeds Account. These conditions will include, among others, our

delivery of a disbursement request to the Disbursement Agent and the independent construction consultant, and one or more certificates certifying as to, among other things:

- the application of the funds to be disbursed,
- the use of funds in accordance with the applicable budgeted amounts, as adjusted from time to time in accordance with the terms of the Disbursement Agreement,
- the construction of the Resort being “in balance” at such time, meaning that the funds contained in the Borrower Funds Account, Notes Proceeds Account, Loan Proceeds Account, Construction Disbursement Account and Cash Management Account, together with anticipated investment income from these funds and accounts, and the amount of cash and lending commitments then available to us under the Revolving Credit Facility and under the Change Order Funding Agreement and the anticipated key money committed by the Flag Hotels or available under the Key Money Funding Agreement, must equal or exceed the remaining anticipated costs to complete the Resort plus a required contingency, and
- compliance with line item project budget allocations (as such allocations may be amended from time to time in accordance with the terms of the Disbursement Agreement), taking into account allocations for contingencies.

Other conditions which must be satisfied (or waived) with respect to disbursements from and after the first disbursement from the Notes Proceeds Account include, but are not limited to, the following:

- delivery of supporting certificates, corroborating various matters set forth in the disbursement request, by one or more of the independent construction consultant, the general contractor, and the architect, with respect to certain disbursement requests;
- absence of a default under the Disbursement Agreement (which is defined to include an event of default under the Credit Agreement or an event of default under the indenture governing the notes); and
- with respect to disbursements from the Loan Proceeds Account, the absence of a default or event of default under the Credit Agreement and all representations and warranties contained in the Credit Agreement being true and correct in all material respects.

In the event that we are unable to satisfy the conditions to any such disbursements, then unless instructed otherwise by the Administrative Agent, the Disbursement Agent will not disburse any funds from the Borrower Funds Account, the Notes Proceeds Account or the Loan Proceeds Account, subject to certain limited exceptions.

Disbursements from the Borrower Funds Account prior to the initial disbursement from the Notes Proceeds Account will be conditioned only upon the deposit of amounts required to be deposited therein prior to the date of such disbursement and receipt by the Disbursement Agent of an initial disbursement request.

***Project Budget.*** The Disbursement Agreement will provide that the Project budget may be amended only upon the satisfaction of certain conditions, including, prior to the Opening Date, that we remain “in balance” after giving effect to the change.

***Termination and Amendments to Disbursement Agreement.*** From and after the time that funds in the Notes Proceeds Account have been exhausted, the Trustee shall (a) cease to be a party to the Disbursement Agreement, (b) shall no longer have the right to approve any waivers, consents, amendments or modifications to the Disbursement Agreement except to the extent that any such waiver, consent, amendment or modification relates to the order of usage of the Borrower Funds Account, the Notes Proceeds Account and the Loan Proceeds Account or RWLV’s obligation to construct the Minimum Facilities specified in the Disbursement Agreement or to the definition of

Minimum Facilities and (c) no longer have the right to receive any certificates, notices or instruments under the Disbursement Agreement. The Minimum Facilities will be defined as (a) an 85,000 square foot casino with 1,400 gaming machines and 135 table games; (b) a total of 2,450 hotel rooms; (c) a total of 6,035 parking spaces; (d) restaurant and entertainment space including aggregate seating for at least 2,100 at food and beverage outlets; (e) a total of 178,500 square feet of spa, health club and resort pool space; (f) a total of 65,000 square feet of club space; and (g) a total of 225,000 square feet of meeting and conference space.

***Reimbursement of Previously Funded Project Costs.*** If, at any time after the completion of this offering, RWLV is unable to satisfy any of the conditions to any disbursement (other than as a result of certain defaults or events of default), RWLV shall be entitled to pay Project Costs then due and owing from other funds available to RWLV (including from advances or contributions made by Genting Berhad or GOHL or any other Person, to the extent permitted under the indenture governing the notes and the Credit Agreement) and to later seek reimbursement of such Project Costs from the Borrower Funds Account, the Loan Proceeds Account or the Notes Proceeds Account, as applicable, as part of a disbursement request at the time, if any, that RWLV is able to satisfy all the conditions to disbursement. To the extent that the payment of such Project Costs was made with the proceeds of advances or equity contributions made to RWLV, RWLV shall be permitted to distribute such reimbursed amounts except to the extent prohibited under the indenture governing the notes or the Credit Agreement and related documents governing the Senior Secured Credit Facilities.

***Event of Default.*** In the event the Disbursement Agent receives written notice from RWLV, the Trustee or the Administrative Agent that a default or event of default exists under the Disbursement Agreement, including any continuing event of default under the indenture governing the notes or the Credit Agreement and related documents governing the Senior Secured Credit Facilities, then until such time as such a default or an event of default ceases to exist, the Disbursement Agent will not permit the disbursement of funds from the accounts, including withdrawals or transfers of amounts from the accounts; *provided* that, prior to the initial disbursement from the Notes Proceeds Account, RWLV shall be permitted to disburse funds from the Borrower Funds Account, the Construction Disbursement Account and the Cash Management Account notwithstanding any default or event of default.

***Final Disbursement of Funds.*** The Disbursement Agreement will provide that within 30 days of the Completion Date of the Resort, we shall instruct the account banks to provide to us all remaining funds in the accounts. If we fail to provide such instruction, the Disbursement Agent or the Administrative Agent shall be entitled to provide such instruction.

***Investments.*** Any income or gain realized as a result of any investment from the accounts shall be ratably added to the account in which it arose and reinvested as provided in the Disbursement Agreement.

## DESCRIPTION OF NOTES

In this description, (1) references to “RWLV” refer to Resorts World Las Vegas LLC and not any of its subsidiaries, (2) references to “RWLV Capital” refer to RWLV Capital Inc. and not any of its subsidiaries, (3) references to the “Issuers” refer to RWLV and RWLV Capital, but not to any of their respective subsidiaries, (4) references to the “Guarantors” refer only to RWLV GL LLC, RWLV West Tower LLC, RWLV East Tower LLC, RWLV CUP LLC and RWLV North Tower LLC (the “Initial Guarantors”) and any Subsidiary of RWLV that guarantees the notes in the future as described below under “—Guarantees,” collectively, and not to any of their Subsidiaries, and (5) the words “we,” “us,” and “our” refer to RWLV and its subsidiaries (including RWLV Capital and the Guarantors). You can find the definitions of certain capitalized terms used in this description under the heading “—Certain Definitions.”

The Issuers will issue \$1,000,000,000 in aggregate principal amount of senior notes under an indenture establishing the terms of the notes (the “indenture”), to be dated as of the Issue Date, by and among the Issuers, the Guarantors and Citicorp International Limited, as trustee, in a private transaction that is not subject to the registration requirements of the Securities Act. Holders of notes will not be entitled to any registration rights. See “Notice to Investors.”

The Issuers may issue additional notes (the “additional notes”) from time to time without notice and without the consent of holders of the notes. The notes issued in this offering and any additional notes subsequently issued under the indenture will be treated as a single series of securities for all purposes under the indenture, including, without limitation, waivers, amendments, redemptions and offers to purchase, *provided* that any additional notes that are not fungible with the notes issued in this offering for U.S. federal income tax purposes shall have a separate CUSIP, ISIN or other identifying number from such notes offered hereunder. Except as otherwise specified herein, all references to the “notes” include any additional notes.

RWLV Capital is a wholly owned subsidiary of RWLV and is serving as a co-issuer of the notes. RWLV believes that certain prospective purchasers of the notes may be restricted in their ability to purchase debt securities of limited liability companies, such as RWLV, unless such debt securities are jointly issued by a corporation. RWLV Capital will not have any material operations or assets, other than actions that it may take in order to facilitate the transactions contemplated by the indenture and serving as a guarantor under our Credit Agreement and other Debt, and will not have any revenues. As a result, prospective investors should not expect RWLV Capital to participate in servicing the principal, interest or other amounts required to be paid on the notes.

This Description of Notes is a summary of the material provisions of the notes and the indenture. Since this description is only a summary, we urge you to refer to the indenture for a complete description of the Issuers’ obligations, the Guarantors’ obligations and your rights. The indenture, and not this description, defines your rights as a holder of the notes. Copies of the indenture are available as set forth below under “Where You Can Find More Information.”

Any reference herein to a merger, transfer, consolidation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, transfer, consolidation, assignment, sale or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, limited partnership or trust shall constitute a separate Person hereunder (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

## Brief Description of the Notes and the Guarantees

The notes will:

- mature on April 16, 2029, unless redeemed or repurchased prior to that date pursuant to the provisions described under “—Optional Redemption” and “—Change of Control Offer”;
- be general unsecured obligations of the Issuers; *provided* that prior to the Notes Collateral Release Date (as defined under “—Notes Proceeds Account”), the notes will be secured by a first priority lien on the Notes Proceeds Collateral (as defined below);
- be effectively junior in right of payment to any of the Issuers’ existing and future secured obligations, including borrowings under the Credit Agreement, to the extent of the value of the assets securing such obligations;
- prior to the Notes Collateral Release Date, be effectively senior in right of payment to the Issuer’s existing and future obligations, including borrowings under the Credit Agreement, to the extent of the value of the Notes Proceeds Collateral;
- except as described above with respect to the value of the Notes Proceeds Collateral prior to the Notes Collateral Release Date, rank equally in right of payment with all of the Issuers’ existing and future unsecured unsubordinated debt;
- be senior in right of payment to any of the Issuers’ future subordinated debt; and
- be structurally junior to all existing and future debt and other liabilities of RWLV’s Subsidiaries that do not guarantee the notes.

The Issuers’ payment obligations under the notes will be fully and unconditionally guaranteed on a senior unsecured basis by certain Subsidiaries of RWLV that guarantee Debt (as defined below) of RWLV under the Credit Agreement (as defined below) or that guarantee certain other future indebtedness of RWLV or a Guarantor as described below under “—Guarantees.” The indenture will contain no restrictions on the amount of additional indebtedness that the Issuers, the Guarantors or their Subsidiaries may issue or guarantee in the future.

Each Guarantor’s guarantee of the notes will:

- be a general unsecured obligation of that Guarantor;
- be effectively subordinated in right of payment to all existing and future secured indebtedness and secured guarantees of that Guarantor, including its guarantee of obligations under the Credit Agreement, to the extent of the value of the assets securing such indebtedness or guarantees;
- rank equally in right of payment with all existing and future senior unsecured unsubordinated indebtedness and senior unsecured guarantees of that Guarantor;
- be senior in right of payment to any future subordinated indebtedness and subordinated guarantees of that Guarantor; and
- be structurally junior to all existing and future debt and other liabilities of that Guarantor’s Subsidiaries that do not guarantee the notes.

As of December 31, 2018, after giving effect to the Financing Transactions, we would have had approximately \$400.0 million in aggregate principal amount of senior secured indebtedness outstanding under the Credit Agreement and an additional \$1,200.0 million of unused borrowing capacity available under the revolving portion thereof. Any additional amounts that we borrow under the Credit Agreement, including under the revolving credit facility, any future incremental term loans and future incremental revolving loans, and any letters of credit issued thereunder, will also be secured and,



therefore, effectively senior to the notes to the extent of the value of the assets securing such borrowings. See “Description of Senior Secured Credit Facilities.”

In addition, the notes and the guarantees will be structurally subordinated to the liabilities, including trade payables and any preferred equity, of our Subsidiaries (other than RWLV Capital, the co-issuer of the notes) that do not guarantee the notes. Initially, each of RWLV’s existing Subsidiaries that is a guarantor under the Credit Agreement (other than RWLV Capital) will guarantee the notes. Any additional Subsidiaries we may create or acquire in the future will be required to guarantee the notes under the circumstances described below under “—Guarantees.” In the event of a bankruptcy, liquidation or reorganization of any of our non-guarantor Subsidiaries (other than RWLV Capital), such non-guarantor Subsidiaries will pay the holders of their debt and preferred equity and their trade creditors before they will be able to distribute any of their assets to the Issuers or a Guarantor. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—The notes and the guarantees will be unsecured obligations and will be effectively subordinated in right of payment to any secured indebtedness of the Issuers or the guarantors, including borrowings under the Senior Secured Credit Facilities, and will be structurally subordinated to all indebtedness and other obligations of our subsidiaries that do not guarantee the notes.”

The notes will have the benefit of a Keepwell Deed provided by Genting Berhad and the Funding Agreements provided by GOHL. None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the notes. See “Description of Keepwell Deed and Funding Agreements” and “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—None of the Keepwell Deed or the Funding Agreements constitutes a guarantee of the payment obligations under the notes or the guarantees.”

### **Interest**

Interest on the notes will accrue at the rate of 4.625% per annum commencing on October 16, 2019.

Interest on the notes will be payable semi-annually on April 16 and October 16 of each year, commencing on October 16, 2019, to the persons in whose names the notes are registered at the close of business on the preceding April 1 and October 1, respectively. Interest on the notes will be computed on the basis of a 360-day year comprised of twelve 30-day months.

If any scheduled payment date with respect to the notes is not a business day, then the related payment will be paid on the next succeeding business day with the same force and effect as if made on such scheduled payment date, and no interest will accrue as a result of such delay.

### **Payments on the Notes; Paying Agent and Registrar**

The Issuers will pay, or cause the paying agent to pay (to the extent funded by the Issuers), principal of and interest on any note in global form registered in the name of or held by DTC or its nominee by wire transfer in immediately available funds to DTC or its nominee, as the case may be, as the registered holder of such global note.

The Issuers will pay, or cause the paying agent to pay (to the extent funded by the Issuers), principal of and interest on any notes issued in certificated form at the office or agency the Issuers designate in The City of New York. The Issuers have initially designated Citibank, N.A. to act as paying agent and registrar and its office in The City of New York as the place where notes in certificated form may be presented for payment and registration of transfer. The Issuers may, however, change the paying agent or registrar without prior notice to the holders of the notes, and either of the Issuers, any Guarantor or any other Subsidiary of RWLV may act as paying agent or registrar.

If either of the Issuers, any Guarantor or any other Subsidiary of RWLV is designated as paying agent, the Issuers may pay interest on any notes in certificated form by check mailed to holders of the notes at their registered addresses as they appear in the registrar's books. In addition, if a holder of any notes in certificated form has given wire transfer instructions to an account in the United States in accordance with the indenture, the Issuers will make all payments on those notes by wire transfer.

### **Transfer and Exchange**

A holder of notes may transfer or exchange notes in certificated form at the office of the registrar in accordance with the indenture. The registrar and the trustee may require a holder, among other things, to furnish appropriate endorsements and transfer documents. No service charge will be imposed by the Issuer, the trustee or the registrar for any registration of transfer or exchange of notes, but the Issuers may require a holder to pay a sum sufficient to cover any tax or other governmental charge that may be imposed in connection therewith. The Issuers are not required to transfer or exchange, or cause the trustee or the registrar to transfer or exchange, any note (1) for a period of 15 business days before the giving of notice of redemption or a notice of a Change of Control Offer or (2) selected for redemption in whole or in part, except the unredeemed portion of any note being redeemed in part.

The registered holder of a note will be treated as the owner of it for all purposes.

### **Guarantees**

The Guarantors will fully and unconditionally guarantee the due and punctual payment of the principal of, premium, if any, and interest on the notes and any other payment obligations of the Issuers under the notes and the indenture when and as they become due and payable, whether at maturity, upon redemption, by acceleration or otherwise, if the Issuers are unable to satisfy these obligations. Each Guarantor's guarantee of the Issuers' payment obligations under the notes and the indenture will be its unsecured and unsubordinated obligation and will have the same ranking with respect to such Guarantor's indebtedness as the notes will have with respect to the Issuers' indebtedness. The guarantees will provide that, in the event of a default in payment by the Issuers on the notes, the holders of the notes may institute legal proceedings directly against the Guarantors to enforce their guarantees without first proceeding against the Issuers.

The indenture will further provide that, if any Subsidiary of RWLV that is not an existing Guarantor (other than RWLV Capital and RWLV Future Land LLC) guarantees Debt of RWLV or another Guarantor under (a) the Credit Agreement, or (b) any other Credit Facility or Capital Markets Debt, in each case under this clause (b), in excess of \$25.0 million, then that Subsidiary will, within 30 business days of such guarantee, enter into a supplemental indenture under which it will provide a senior unsecured guarantee of the Issuers' payment obligations under the indenture and the notes. Any guarantee by a Subsidiary entered into in accordance with the foregoing will be a joint and several obligation of the Subsidiary and the other Guarantors and will be subject to limitations intended to prevent the obligations from being treated as a fraudulent conveyance. See "Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—Federal and state statutes allow courts, under specific circumstances, to avoid the notes and the guarantees and to require holders of the notes to return payments received from us or the guarantors."

The indenture will provide that no Guarantor, other than any Guarantor whose guarantee is to be released in accordance with the terms of the indenture, may consolidate with or merge with or into any other Person, other than either of the Issuers or another Guarantor, unless:

- either (a) such Guarantor is the surviving entity or (b) the Person (if other than such Guarantor) formed by such consolidation, or with or into which such Guarantor is merged, shall be organized under the laws of the United States, any state thereof, or the District of Columbia

and expressly assumes by supplemental indenture such Guarantor's obligations under the indenture and the notes; and

- immediately after giving effect to that transaction, no event of default, and no event that, after notice or lapse of time or both, would become an event of default, shall have occurred and be continuing.

Notwithstanding the foregoing, each Guarantor that is not a subchapter "C" corporation is permitted to reorganize into a corporation pursuant to a Permitted C-Corp Conversion.

Any guarantee by a Guarantor will be released automatically and unconditionally if (i) the Guarantor (including any Initial Guarantor) ceases to provide a guarantee of Debt of RWLV or another Guarantor under the Credit Agreement or any other Credit Facility or Capital Markets Debt that would have required such Guarantor to guarantee the notes and no Event of Default has occurred and is continuing; (ii) RWLV's direct or indirect limited partnership, limited liability company or other Equity Interest in such Guarantor is sold or otherwise disposed of (by merger or otherwise) such that, after giving effect to any such sale or disposition, such Person is no longer a Subsidiary of RWLV; (iii) such Guarantor merges into an Issuer or another Guarantor or liquidates or dissolves; (iv) such Guarantor becomes an Excluded Subsidiary; or (v) the Issuers exercise their legal defeasance option or covenant defeasance option or the Issuers' obligations are discharged as described under "—Discharge, Legal Defeasance and Covenant Defeasance."

#### **Notes Proceeds Account**

All of the net proceeds from this offering will be deposited into one or more segregated deposit accounts (collectively, together with any additional deposit accounts established from time to time for such purposes as described below in accordance with the Disbursement Agreement, the "Notes Proceeds Account") and will be used for the design, development, construction, equipping and opening of the Project, and certain other costs. See "Description of Disbursement Agreement—Project Accounts—Notes Proceeds Account." Pursuant to the terms of the indenture, RWLV will grant the trustee, for the benefit of the holders of the notes, a first-priority security interest in the Notes Proceeds Account and all deposits and investments therein to secure the obligations under the notes and the indenture pending disbursement as described under "Description of Disbursement Agreement—Project Accounts—Notes Proceeds Account." On the Issue Date, RWLV and the trustee will enter into a control agreement with each financial institution holding an account into which the net proceeds from this offering are deposited on such date (each such financial institution, an "Account Bank"), perfecting the trustee's security interest in such accounts, each in form and substance reasonably satisfactory to the Initial Purchasers (together with any additional control agreements entered into from time to time for such purposes as described below pursuant to the Disbursement Agreement, the "Notes Proceeds Control Agreements"). From and after the Issue Date, until the earlier of (x) the date on which the Notes Proceeds Account is Exhausted, and (y) the Completion Date (such earlier date, the "Notes Collateral Release Date"), the Notes and the Guarantees will be secured by a first priority security interest in the Notes Proceeds Account and related assets (including all amounts at any time on deposit in or credited to the Notes Proceeds Account) (collectively, the "Notes Proceeds Collateral") in favor of the trustee, for the benefit of the holders of the notes. RWLV will have the right to substitute or add any Account Bank with respect to any Notes Proceeds Account (or any portion of the funds credited to such account) with one or more financial institutions reasonably satisfactory to the administrative agent under the Credit Agreement, *provided* that a lien is granted over any newly opened account to the trustee, and any such additional or replacement financial institution enters into a control agreement with respect to such account, in each case, in accordance with the Disbursement Agreement. Prior to the Notes Collateral Release Date, RWLV will take any and all actions reasonably necessary or required by the trustee to create and maintain the trustee's security interest in the Notes Proceeds Collateral as a valid and enforceable perfected first priority

security interest free and clear of all other liens and security interests (other than any lien or security interest permitted by the last paragraph of the covenant described under “—Certain Covenants—Limitations on Liens”). None of the Issuers or any Guarantors shall take or omit to take any action that would adversely affect or impair the security interest in favor of the trustee with respect to the Notes Proceeds Collateral.

## **Optional Redemption**

### ***Make-Whole Redemption***

Prior to the Par Call Date, the notes will be subject to redemption by the Issuers, in whole at any time or in part from time to time, at a redemption price equal to the greater of:

- 100% of the aggregate principal amount of the notes to be redeemed; and
- the sum of the present values, as calculated by the Independent Investment Banker, of the remaining scheduled payments of principal and interest thereon that would be due if the notes matured on the Par Call Date (exclusive of the interest accrued to the date of redemption) computed by discounting such payments to the redemption date on a semi-annual basis, assuming a 360-day year consisting of twelve 30-day months, at a rate equal to the sum of the Adjusted Treasury Rate for such notes plus 35 basis points,

plus, in each case, accrued and unpaid interest, if any, to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

Interest will cease to accrue on the notes or part thereof called for redemption on the applicable redemption date.

### ***Par Redemption***

On or after the Par Call Date, the notes may be redeemed in whole at any time or in part from time to time, at the Issuers' option, at a redemption price equal to 100% of the aggregate principal amount of the notes to be redeemed, plus accrued and unpaid interest thereon to, but excluding, the redemption date (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date).

### ***General***

The Issuers will transmit notice of redemption at least 15 days but not more than 60 days before the applicable redemption date to each holder of the notes to be redeemed, except that (x) notice may be given more than 60 days before the applicable redemption date in connection with a redemption occurring in connection with a defeasance or satisfaction and discharge as described under “—Discharge, Legal Defeasance and Covenant Defeasance,” and (y) a redemption may occur less than 15 days after a notice of redemption is transmitted by the Issuers in connection with any redemption described under “—Gaming Redemption.” If the Issuers elect to redeem the notes in part, the notes to be redeemed will be selected on a pro rata basis with adjustments to prevent fractional notes (or, in the case of notes evidenced by global notes, in accordance with DTC's applicable procedures).

Unless the Issuers and the Guarantors default in the payment of the redemption price plus accrued and unpaid interest, if any, to, but excluding, the date of redemption, interest will cease to accrue on and after the applicable redemption date on the notes or portions thereof called for redemption; *provided* that interest may cease to accrue prior to the applicable redemption date in connection with any redemption described under “—Gaming Redemption.”

Any redemption of notes may, at the Issuers' discretion, be subject to one or more conditions precedent. If such redemption is subject to satisfaction of one or more conditions precedent, such notice shall state that, in the Issuers' discretion, the redemption date may be delayed until such time as any or all such conditions shall be satisfied, or such redemption may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date so delayed.

### ***Gaming Redemption***

Notwithstanding any other provision hereof, if any Gaming Authority requires a holder or beneficial owner of notes to be licensed, qualified or found suitable under any applicable Gaming Law and the holder or beneficial owner (1) fails to apply for a license, qualification or finding of suitability within 30 days after being requested to do so (or such shorter period as required by the Gaming Authority), or (2) is notified by a Gaming Authority that it will not be licensed, qualified or found suitable, the Issuers will have the right, at their option, to:

- (1) require the holder or beneficial owner to dispose of its notes within 30 days (or such shorter period as required by the Gaming Authority) following the earlier of:
  - (a) the termination of the period described above for the holder or beneficial owner to apply for a license, qualification or finding of suitability if the holder or beneficial owner fails to apply for a license, qualification or finding of suitability during such period; or
  - (b) the receipt of the notice from the Gaming Authority that the holder or beneficial owner will not be licensed, qualified or found suitable by the Gaming Authority; or
- (2) redeem the notes of the holder or beneficial owner at a redemption price equal to:
  - (a) the price required by applicable law or by order of any Gaming Authority; or
  - (b) if no price is required by applicable law or by order of any Gaming Authority, the lesser of:
    - (i) the aggregate principal amount of the notes; and
    - (ii) the price that the holder or beneficial owner paid for the notes,

together with, in the case of sub-clause (a) or (b) of this clause (2), accrued and unpaid interest on the notes to the earlier of (1) the date of redemption or such earlier date as is required by the Gaming Authority or (2) the date of any finding of unsuitability by the Gaming Authority (which, for the avoidance of doubt, may be less than 15 days following the Issuers' transmission of the notice of redemption).

Immediately upon (1) the failure of a holder or beneficial owner of notes to apply for a license, qualification or finding of suitability within the timeframe set forth above in this section or (2) a determination by a Gaming Authority that a holder or beneficial owner of notes will not be licensed, qualified or found suitable, the holder or beneficial owner will not have any further rights with respect to the notes to:

- (1) exercise, directly or indirectly, through any Person, any right conferred by the notes; or
- (2) receive any interest or any other distribution or payment with respect to the notes, or any remuneration in any form from the Issuers for services rendered or otherwise, except the redemption price of the notes described in this section.

The Issuers are not required to pay or reimburse any holder or beneficial owner of notes who is required to apply for such license, qualification or finding of suitability for the costs relating thereto. Those expenses will be the obligation of the holder or beneficial owner.

### **Mandatory Redemption; Sinking Fund**

Other than as set forth above under the caption “—Optional Redemption—Gaming Redemption,” the Issuers are not required to make mandatory redemption or sinking fund payments with respect to the notes.

### **Change of Control Offer**

Upon the occurrence of a Change of Control Triggering Event (as defined below), each holder of notes will have the right to require the Issuers to purchase all or any part (*provided* that no partial repurchase of a note will be required to the extent such repurchase would reduce the principal amount of such note to less than \$200,000) of the holder’s notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right of holders of record on the relevant record date to receive interest due on an interest payment date that is on or prior to the redemption date), except to the extent that the Issuers have exercised their right to redeem the notes as described under “—Optional Redemption” or as otherwise set forth in this section.

Within 60 days following the date upon which the Change of Control Triggering Event has occurred, or at the Issuers’ option, prior to any Change of Control but after the public announcement of the transaction that constitutes or may constitute the Change of Control, except to the extent that the Issuers have exercised their right to redeem the notes as described under “—Optional Redemption” or as otherwise described in this section, the Issuers will send a notice (a “Change of Control Offer”) to each holder of notes with a copy to the trustee, which notice will govern the terms of the Change of Control Offer, stating:

- (1) that a Change of Control Triggering Event with respect to the notes has occurred or will occur and that such holder has the right to require the Issuers to purchase such holder’s notes at a purchase price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of purchase (subject to the right of holders of record on the relevant record date to receive interest on an interest payment date that is on or prior to the redemption date);
- (2) a brief description of the transaction that constitutes or may constitute such Change of Control Triggering Event;
- (3) the purchase date (which shall be (i) no earlier than 15 days nor later than 60 days from the date such notice is sent, if sent after consummation of the Change of Control and (ii) no earlier than the date of the Change of Control nor later than 30 days from such date, if sent prior to consummation of the Change of Control, in each case, other than as may be required by law) (such date, the “Change of Control Payment Date”); and
- (4) the instructions that a holder must follow in order to have its notes purchased.

Holders of notes electing to have notes purchased pursuant to a Change of Control Offer will be required to surrender their notes, with the form entitled “Option of Holder to Elect Purchase” on the reverse of the note completed, to the paying agent at the address specified in the notice, or transfer their notes to the paying agent by book-entry transfer pursuant to the applicable procedures of the paying agent and DTC, prior to the close of business on the third business day prior to the Change of Control Payment Date.

The Issuers may make a Change of Control Offer in advance of a Change of Control, and the Issuers’ Change of Control Offer may be conditioned upon the consummation of such Change of Control, if a definitive agreement is in place for the Change of Control at the time of making the Change of Control Offer.

If holders of not less than 90% in aggregate principal amount of the notes then outstanding validly tender and do not withdraw the notes in a Change of Control Offer and the Issuer, or any third-party making a Change of Control Offer in lieu of the Issuer, as described below, purchases all of the notes validly tendered and not withdrawn by such holders, the Issuers will have the right, upon not less than 15 nor more than 60 days' prior notice, given not more than 30 days following such purchase pursuant to the Change of Control Offer described above, to redeem all notes that remain outstanding following such purchase at a redemption price in cash equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the date of redemption (subject to the right of holders of record on the relevant record date to receive interest on an interest payment date that is on or prior to the redemption date).

The Issuers will not be required to make a Change of Control Offer if a third-party makes such an offer in the manner, at the times and otherwise in compliance with the requirements for such an offer made by the Issuers, and such third-party purchases all notes properly tendered and not withdrawn under its offer.

The Issuers will comply, to the extent applicable, with the requirements of Section 14(e) of the Exchange Act and any other securities laws or regulations in connection with the repurchase of notes pursuant to a Change of Control Offer. To the extent that the provisions of any securities laws or regulations conflict with the terms described in this offering circular, the Issuers shall comply with the applicable securities laws and regulations and will not be deemed to have breached their obligations by virtue thereof.

The definition of Change of Control includes a phrase relating to the sale, lease, transfer, conveyance or other disposition of "all or substantially all" of the assets of the Issuers and the Subsidiaries taken as a whole. Although there is a limited body of case law interpreting the phrase "substantially all," there is no precise established definition of the phrase under applicable law. Accordingly, the ability of a holder of notes to require the Issuers to repurchase its notes as a result of a sale, lease, transfer, conveyance or other disposition of less than all of the assets of the Issuers and the Subsidiaries taken as a whole to another Person may be uncertain.

The holders of a majority in aggregate principal amount of the notes then outstanding may, on behalf of the holders of all notes, waive the right of the holders to require the Issuers to purchase all or any part of each holder's notes as a consequence of a Change of Control Triggering Event.

#### *Associated Definitions*

"Change of Control" means the occurrence of any one of the following:

- (a) the sale, lease, transfer, conveyance or other disposition (other than by way of merger or consolidation), in one or a series of related transactions approved by RWLV's Board of Directors as part of a single plan, of all or substantially all of the assets of RWLV and its Subsidiaries taken as a whole to any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) other than to Genting Berhad, a Permitted Holder, one or more Related Parties of Genting Berhad and/or of a Permitted Holder or a combination thereof; or
- (b) the consummation of any transaction (including, without limitation, any merger or consolidation) the result of which is that any "person" (as that term is used in Section 13(d)(3) of the Exchange Act) (other than Genting Berhad, a Permitted Holder, one or more Related Parties of Genting Berhad and/or of a Permitted Holder or a combination thereof, or any employee benefit plan of RWLV or any Subsidiary) becomes the Beneficial Owner, directly or indirectly, of more than 50% of the outstanding Voting Stock of RWLV, measured by voting power rather than number of shares (excluding a redomestication of RWLV).

Notwithstanding the foregoing, (x) a transaction will not be deemed to involve a “Change of Control” if, as a result of such transaction, (i) RWLV becomes a direct or indirect wholly owned Subsidiary of a holding company and (ii) either (a) the direct or indirect holders of the Voting Stock of RWLV or such holding company immediately prior to such transaction beneficially own, directly or indirectly, at least a majority of the total voting power of the Voting Stock of RWLV or such holding company immediately following such transaction, or (b) immediately following such transaction, no Person, other than Genting Berhad, a Permitted Holder, one or more Related Parties of Genting Berhad and/or of a Permitted Holder or a combination thereof beneficially owns, directly or indirectly, more than 50% of the voting power of the Voting Stock of RWLV or such holding company, (y) a Change of Control will not occur solely by reason of (i) a Permitted C-Corp Conversion, or (ii) any transaction of a type described in clause (z) of the last paragraph of the covenant described under “Consolidation, Merger, Conveyance of Assets,” and (z) a transaction will not be deemed to involve a Change of Control if after giving effect thereto, such transaction would not, in and of itself, result in a breach of Section 3.1(a)(i) of the Keepwell Deed by Genting Berhad.

“Affiliate” of any specified Person means any other Person directly or indirectly controlling or controlled by or under direct or indirect common control with such specified Person. For purposes of this definition, “control,” as used with respect to any Person, means the possession, directly or indirectly, of the power to direct or cause the direction of the management or policies of such Person, whether through the ownership of voting securities, by agreement or otherwise; *provided* that beneficial ownership of 10% or more of the Voting Stock of a Person will be deemed to be control. For purposes of this definition, the terms “controlling,” “controlled by” and “under common control with” have correlative meanings.

“Change of Control Triggering Event” means both (i) a Change of Control shall have occurred and (ii) either (x) the notes shall not have Investment Grade Status on the date of the first public announcement by the Issuers of any Change of Control (or pending Change of Control) and shall not have obtained Investment Grade Status within 30 days following consummation of such Change of Control or (y) the notes shall have Investment Grade Status on the date of the first public announcement by the Issuers of any Change of Control (or pending Change of Control), but on any date during the period commencing on the date of the first public announcement by the Issuers of any Change of Control (or pending Change of Control) and ending 60 days following consummation of such Change of Control there is a downgrade of the ratings of the notes by one or more Rating Agencies and, as a result, the notes shall cease to have Investment Grade Status. Notwithstanding the foregoing, no Change of Control Triggering Event will be deemed to have occurred in connection with any particular Change of Control unless and until such Change of Control has actually been consummated.

“Fitch” means Fitch Ratings, Inc., and its successors.

“Genting Berhad” means Genting Berhad, a company incorporated under the laws of Malaysia. For purposes of the definition of “Change of Control” and the defined terms used therein, “Genting Berhad” means Genting Berhad together with its Affiliates.

“Investment Grade Rating” means a rating of Baa3 or better by Moody’s (or its equivalent under any successor rating category of Moody’s); a rating of BBB- or better by S&P (or its equivalent under any successor rating category of S&P); a rating of BBB- or better by Fitch (or its equivalent under any successor rating category of Fitch); and the equivalent investment grade rating from any replacement Rating Agency or Agencies appointed by the Issuer.

“Investment Grade Status” means the notes shall have an Investment Grade Rating by at least two of the three Rating Agencies.

“Moody’s” means Moody’s Investors Service, Inc., and its successors.



“Permitted Holder” means each of Genting Singapore Limited, Genting Malaysia Berhad, Genting Hong Kong Limited and Empire Resorts Inc.

“Rating Agency” means each of Moody’s, S&P and Fitch; *provided*, that if any two of Moody’s, S&P and Fitch ceases to rate the notes or fails to make a rating of the notes publicly available, the Issuers will appoint a replacement for such Rating Agency that is a “nationally recognized statistical rating organization” within the meaning of Section 3(a)(62) of the Exchange Act.

“Related Party” means (1) any controlling stockholder or Subsidiary of Genting Berhad or of a Permitted Holder, or (2) any trust, corporation, partnership, limited liability company (or series thereof) or other entity, the beneficiaries, stockholders, partners, members, owners or Persons beneficially holding a majority (and controlling) interest of which consist of Genting Berhad, a Permitted Holder and/or any one or more of such Persons referred to in the immediately preceding clause (1).

“S&P” means S&P Global Ratings, and its successors.

“Voting Stock” of any specified Person as of any date means the Capital Stock or other Equity Interests of such Person that is at the time entitled to vote generally in the election of the board of directors or comparable body of such Person.

### **Restrictions on Transfer**

The notes will be subject to restrictions on transfer and will bear a restrictive legend substantially as described in “Notice to Investors.”

### **Certain Covenants**

The following is a description of certain covenants of the indenture that limit the ability of the Issuers, the Guarantors and our Subsidiaries to take certain actions. Various capitalized terms used within this “Covenants” subsection are defined in the subsection “—Certain Definitions.”

### ***Limitations on Liens***

So long as any notes are outstanding, RWLV will not, nor will it permit any of its Subsidiaries to, issue, assume or guarantee any Debt if such Debt is secured by a mortgage, pledge, security interest or lien (a “mortgage” or “mortgages”) upon any Principal Property of RWLV or any of its Subsidiaries or upon any securities or Debt of any Subsidiary of RWLV (whether such Principal Property, securities or Debt is now owned or hereafter acquired) without in any such case effectively providing that the notes (together with, if RWLV so determines, any other Debt of RWLV or any of its Subsidiaries) shall be secured equally and ratably with (or prior to) such Debt so secured by a mortgage on the same assets of RWLV or such Subsidiary, as the case may be, for so long as such Debt is so secured, except that the foregoing restrictions shall not apply to:

- (a) any mortgage securing Debt or other obligations under Credit Facilities;
- (b) mortgages on any property acquired, constructed, developed, operated, altered, repaired or improved by RWLV or any of its Subsidiaries (or mortgages on the shares of stock of, or other Equity Interests in, a Subsidiary of RWLV which holds no material assets other than the property being acquired, constructed, developed, operated, altered, repaired or improved) after the Issue Date which are created within 360 days after such acquisition (or in the case of property constructed, developed, operated, altered, repaired or improved, after the completion and commencement of commercial operation of such property, whichever is later), to secure or provide for all or any part of the payment of the purchase, construction, development, alteration, repair or improvement price or cost thereof (including to secure indebtedness to

finance all or any part of such purchase, construction, development, alteration, repair or improvement price or cost); *provided* that in the case of such construction, development, operation, alteration, repair or improvement, the mortgages shall not apply to any property owned by RWLV or any of its Subsidiaries before such construction, development, operation, alteration, repair or improvement other than (1) real property on which the property so constructed, or the development, operation, alteration, repair or improvement, is located or (2) property which is so altered, repaired or improved (it being understood that all Debt to a single lender shall be considered to be a single obligation, whether drawn at one time or from time to time and individual financings provided by one lender may be cross-collateralized to other financings provided by such lender);

- (c) (1) mortgages existing on the Issue Date, (2) existing mortgages on property acquired (including mortgages on any property acquired from a Person which is consolidated with or merged with or into RWLV or any of its Subsidiaries) or (3) mortgages outstanding at the time any corporation, partnership or other entity becomes a Subsidiary of RWLV or is consolidated with or merged with or into RWLV or any of its Subsidiaries, including mortgages on the shares of stock of, or other Equity Interests in, such corporation, partnership or other entity; *provided* that in the case of (3) such mortgages shall only apply to property owned by, or shares of stock of or other Equity Interests in, such corporation, partnership or other entity at the time it becomes a Subsidiary of RWLV or is consolidated with or merged into RWLV or one of its Subsidiaries or that is acquired thereafter other than from RWLV or another Subsidiary of RWLV;
- (d) mortgages in favor of RWLV, any Guarantor or any Subsidiary of RWLV that is a “Restricted Subsidiary” under the Credit Agreement (as defined therein) or any other Credit Facility;
- (e) mortgages arising under applicable Gaming Laws and mortgages to secure advances or other payments or performance pursuant to any contract or statute or to secure indebtedness incurred to finance the purchase price or cost of constructing, developing, operating, altering, repairing or improving the property subject to such mortgages, including mortgages to secure pollution control or industrial revenue bond financing;
- (f) mortgages (other than any mortgage imposed by ERISA) (i) imposed by law or deposits made in connection therewith in the ordinary course of business in connection with workers’ compensation, unemployment insurance and other types of social security (including on behalf of any counterparty under any Permitted Franchise Agreement), (ii) incurred in the ordinary course of business to secure the performance of tenders, statutory obligations, surety, stay, customs and appeal bonds, statutory bonds, bids, leases, government contracts, trade contracts, rental obligations (limited, in the case of rental obligations, to security deposits and deposits to secure obligations for taxes, insurance, maintenance and similar obligations), utility services, performance and return of money bonds and other similar obligations (exclusive of obligations for the payment of borrowed money), (iii) arising by virtue of deposits made in the ordinary course of business to secure liability for premiums to insurance carriers, or (iv) on deposits made to secure RWLV’s or any of its Subsidiaries’ Gaming License applications or to secure the performance of surety or other bonds issued in connection therewith; *provided, however*, that to the extent such mortgages are not imposed by law, such mortgages shall in no event encumber any property other than cash and cash equivalents or, in the case of *clause (iii)*, proceeds of insurance policies;
- (g) mortgages in respect of property of RWLV or any of its Subsidiaries which were incurred in the ordinary course of business, such as carriers’, warehousemen’s, materialmen’s, landlords’ and mechanics’ liens, maritime liens and other similar mortgages (collectively, “Mechanics’ Liens”) (with multiple mortgages for the same work or services considered a single mortgage)

- (i) prior to the Completion Date, to the extent not prohibited by the Disbursement Agreement and (ii) from and after the Completion Date, (A) Mechanics' Liens permitted to remain outstanding after Construction Completion under (and as defined in) the Disbursement Agreement and (B) Mechanics' Liens arising in the ordinary course of business (i) for amounts not yet overdue for a period of 60 days or (ii) for amounts that are overdue for a period in excess of 60 days that are being contested in good faith by appropriate proceedings (inclusive of amounts that remain unpaid as a result of bona fide disputes with contractors, including where the amount unpaid is greater than the amount in dispute), so long as adequate reserves have been established in accordance with GAAP or such Mechanics' Liens have been bonded over or insured;
- (h) mortgages in favor of issuers of surety or performance and return of money bonds or letters of credit or bankers' acceptances issued pursuant to the request of and for the account of RWLV or any of its Subsidiaries in the ordinary course of its business;
  - (i) mortgages consisting of easements, rights-of-way, restrictions (including zoning restrictions), covenants, encroachments, sub-division maps, protrusions, reciprocal easement agreements and other similar charges or encumbrances, and minor title deficiencies on or with respect to any real property, in each case, whether now or hereafter in existence, not individually or in the aggregate materially interfering with the conduct of the business of RWLV and its Subsidiaries, taken as a whole;
  - (j) mortgages arising by virtue of any statutory or common law provisions relating to bankers' liens, rights of set-off or similar rights and remedies as to accounts or other funds maintained with a financial institution;
  - (k) mortgages in connection with in rem and other legal proceedings, which are being contested in good faith;
  - (l) mortgages on the stock, partnership or other Equity Interests of RWLV or any of its Subsidiaries in any Joint Venture or any Subsidiary that owns an equity interest in such Joint Venture to secure Debt, *provided* the amount of such Debt is contributed and/or advanced solely to such Joint Venture and, in the case of any non-wholly owned Subsidiary or Joint Venture, any put and call arrangements or restrictions on disposition related to its Equity Interests set forth in its organizational documents or any related joint venture or similar agreement;
  - (m) mortgages over goods (or any documents relating thereto) arising either in favor of a bank issuing a form of documentary credit in connection with the purchase of such goods or by way of retention of title, conditional sale, consignment or similar arrangements for the sale of goods entered into by RWLV or any of its Subsidiaries, and in both cases where such goods are acquired in the ordinary course of business;
  - (n) mortgages granted by RWLV or any of its Subsidiaries on its rights under any insurance policy in order to secure the financing of insurance premiums in the ordinary course of business;
  - (o) mortgages arising out of judgments or awards not resulting in an event of default under the indenture;
  - (p) (i) mortgages pursuant to Gaming Leases and similar leases entered into for the purpose of, or with respect to, operating or managing Gaming Facilities and related assets, which mortgages are limited to the leased property under the applicable lease and granted to the landlord under such lease for the purpose of securing the obligations of the tenant under such lease to such landlord and (ii) mortgages on cash and cash equivalents (and on the related escrow accounts, impound accounts or similar accounts, if any) required to be paid to the

lessors (or lenders to such lessors) under such leases or maintained in an escrow account, impound account or similar account pending application of such proceeds in accordance with the applicable lease;

- (q) mortgages to secure Debt of Subsidiaries that are not Guarantors; *provided* that such mortgages do not encumber any property of RWLV or any of its Subsidiaries other than any Person that is not an Issuer or a Guarantor and any Equity Interests in any Person that is not an Issuer or a Guarantor;
- (r) mortgages on cash and cash equivalents deposited to discharge, redeem or defease Debt and on any cash and cash equivalents held by a trustee or agent under any indenture or other debt agreement issued in escrow pursuant to customary escrow arrangements pending the release thereof (including mortgages on such cash and cash equivalents securing any such Debt);
- (s) mortgages arising from precautionary UCC financing statements filings regarding operating leases or consignment of goods entered into in the ordinary course of business;
- (t) mortgages solely on any cash earnest money deposits made by RWLV or any of its Subsidiaries in connection with any letter of intent or purchase agreement in respect of any acquisition or investment;
- (u) mortgages arising in connection with transactions relating to the selling or discounting of accounts receivable in the ordinary course of business;
- (v) mortgages created by the applicable Transfer Agreement;
- (w) mortgages to secure Debt of any Joint Venture or Foreign Subsidiary; *provided* that such mortgages do not encumber any property other than the property of any Joint Venture or Foreign Subsidiary and the Equity Interests in such Joint Venture or Foreign Subsidiary;
- (x) mortgages granted pursuant to or in accordance with any Permitted Franchise Agreements;
- (y) mortgages securing Debt constituting (or the proceeds of which constitute) Development Expenses in an aggregate principal amount not to exceed \$750.0 million at any time outstanding so long as no event of default shall have occurred and be continuing after giving effect thereto and, without duplication, any refinancing thereof;
- (z) mortgages securing Hedging Obligations and/or obligations with respect to Treasury Management Arrangements incurred in the ordinary course of business;
- (aa) mortgages on the Notes Proceeds Collateral to secure Debt and other obligations in respect of the notes;
- (bb) mortgages granted pursuant to or in accordance with the Decommissioning Agreement; and
- (cc) mortgages to secure any extension, renewal, substitution, refinancing or replacement (or successive extensions, renewals, substitutions, refinancings or replacements), in whole or in part, of any mortgage referred to in the foregoing clauses (a) through (bb), inclusive; *provided* that such extension, renewal, substitution, refinancing or replacement mortgage shall not extend beyond the property or assets that secured the mortgage extended, renewed, substituted, refinanced or replaced, plus improvements on such property or assets, unless otherwise permitted by this covenant, and the Debt secured by such mortgage is not greater in principal amount than the Debt secured by the mortgage extended, renewed, substituted, refinanced or replaced plus the amount of any premiums, fees, commissions, underwriting discounts, defeasance costs and expenses incurred in connection therewith.

In addition to the foregoing exceptions to the limitations set forth in the first paragraph of this subsection “—Limitations on Liens,” RWLV and any of its Subsidiaries may, without securing the

notes, issue, assume or guarantee Debt secured by a mortgage in an aggregate principal amount that, taken together with the Attributable Debt described in the following sentence, does not in the aggregate exceed the greater of (i) \$200.0 million and (ii) 4.0% of Consolidated Tangible Assets at the time of incurrence. The Attributable Debt to be aggregated for purposes of this exception is all Attributable Debt in respect of Sale and Lease-Back Transactions of RWLV and its Subsidiaries under the exception in clause (e)(2) of the covenant described below under “—Limitations on Sale and Lease-Back Transactions” existing at such time.

In addition to the limitations set forth in the first paragraph of this subsection “—Limitations on Liens,” RWLV shall not permit any mortgages on the Notes Proceeds Collateral other than mortgages described in clauses (e), (f), (g), (j), (k), (o), (x) or (aa) or, to the extent related to any of clauses (e), (f), (g), (j), (k), (o), (x) or (aa), clause (cc) of such paragraph.

#### ***Limitations on Sale and Lease-Back Transactions***

So long as any notes are outstanding, RWLV will not, nor will it permit any Guarantor to, enter into any Sale and Lease-Back Transaction, other than any Sale and Lease-Back Transaction:

- (a) entered into by the time of or within 270 days of the later of the acquisition, construction, development, operation, alteration, repair, improvement or placing into service of the property subject thereto by RWLV or such Guarantor;
- (b) involving a lease of not more than three years;
- (c) entered into in connection with an industrial revenue bond or pollution control financing;
- (d) between or among RWLV and/or one or more Guarantors;
- (e) as to which RWLV or such Guarantor would be entitled to incur Debt secured by a mortgage on the property to be leased in an amount equal to the Attributable Debt with respect to such Sale and Lease-Back Transaction without equally and ratably securing the notes (1) under clauses (a) through (cc) in “—Limitations on Liens” above or (2) under the penultimate paragraph of that covenant;
- (f) as to which RWLV or such Guarantor will apply an amount equal to the net proceeds from the sale of the property so leased to, within 270 days of the effective date of any such Sale and Lease-Back Transaction, (1) the retirement of notes or Funded Debt of RWLV or a Guarantor or (2) the acquisition, construction, development, operation, alteration, repair or improvement of other property; or
- (g) involving a lease from any Person qualified to be treated for tax purposes as a real estate investment trust under Sections 856-860 of the Code or a Subsidiary of such Person.

#### ***Reports***

So long as any notes are outstanding (unless satisfied and discharged or defeased), RWLV will have its annual financial statements audited by a nationally recognized firm of independent accountants and, subject to the conditions described below, will furnish to the holders of the notes and the trustee, as soon as they are available but in any event no later than 120 days after the end of each fiscal year (in the case of annual financial statements) and 45 days after the end of each fiscal quarter other than the last fiscal quarter (in the case of quarterly financial statements), unaudited quarterly and audited annual consolidated financial statements prepared in accordance with GAAP subject, with respect to quarterly financial statements, to the absence of footnote disclosure, normal year-end audit adjustments, and the presentation of combined historical financial statements.

For the avoidance of doubt, the financial statements of RWLV furnished pursuant to the preceding paragraph (x) will not be required to contain more detail than the financial statements of RWLV included in this offering circular, and in no event will RWLV be required to provide historical financial statements of recently acquired businesses or with respect to any pending acquisitions or any related pro forma financial statements, and (y) will not be required to contain the separate financial information for Guarantors contemplated by Rule 3-10 of Regulation S-X promulgated by the SEC.

Subject to the conditions described below, RWLV will make available such financial information either through the Company Website or, otherwise electronically to any holder of the notes, any Beneficial Owner of the notes, any bona fide prospective investor in the notes or any bona fide market maker in the notes, in each case, who provides its email address, employer name, CUSIP and other information reasonably requested by RWLV, to RWLV. Any person (other than the trustee) who requests such financial information pursuant to this paragraph or otherwise receives such financial information pursuant to the preceding paragraph from RWLV will be required to represent to and agree with RWLV to our reasonable good faith satisfaction (and by accepting such financial information, such person will be deemed to have represented to and agreed with RWLV) that:

- (1) it is a holder of the notes, a Beneficial Owner of the notes, a bona fide prospective investor in the notes or a bona fide market maker with respect to the notes, as applicable;
- (2) it is (i) a Qualified Institutional Buyer (as defined in the Securities Act), (ii) a non-U.S. Person (as defined in Regulation S under the Securities Act) or (iii) an institutional “Accredited Investor” (as defined under the Securities Act);
- (3) it will not use the information in violation of applicable securities laws or regulations;
- (4) it will not communicate the information to any person, including, without limitation, in any aggregated or converted form, and will keep the information confidential;
- (5) it will use such information only in connection with evaluating an investment in the notes (or, if it is a bona fide market maker, only in connection with making a market in the notes); and
- (6) it (i) will not use such information in any manner intended to compete with the business of RWLV and (ii) is not a person (which includes such person’s Affiliates) that (x) is principally engaged in a business substantially similar to the business of RWLV or its Subsidiaries or (y) derives a significant portion of its revenues from operating or owning a business substantially similar to the business of RWLV or its Subsidiaries.

Notwithstanding the foregoing, the financial statements and other information of RWLV required to be provided as described in the first paragraph of this covenant, may be, rather than those of RWLV, those of any direct or indirect parent of RWLV. In addition, RWLV may fulfill the requirement to distribute such financial information if such information is contained in any reports filed by RWLV with the SEC within the applicable time periods required by the SEC.

RWLV will be deemed to have satisfied the reporting requirements of the first paragraph of this covenant if any direct or indirect parent of RWLV has filed reports containing such information with the SEC within the applicable time periods required by the SEC and such reports are publicly available. To the extent a direct or indirect parent of RWLV provides such financial information pursuant to the first sentence of the preceding paragraph or such parent files such report with the SEC pursuant to the first sentence of this paragraph, and if the financial information so furnished relates to such direct or indirect parent of RWLV, the same shall be accompanied by consolidating information that explains in reasonable detail the difference between the information relating to such parent on the one hand, and the information relating to RWLV and its Subsidiaries on a standalone basis, on the other hand.

For the avoidance of doubt, the information provided pursuant to this covenant will not be required to comply with Section 302 or Section 404 of the Sarbanes-Oxley Act of 2002, or related Items 307 and 308 of Regulation S-K promulgated by the SEC, or Item 10(e) of Regulation S-K (with respect to any non-GAAP financial measures contained therein).

RWLV has agreed that, for so long as any of the notes are not freely transferable under the Securities Act, it will furnish to the holders of the notes and to bona fide prospective investors that certify that they are a Qualified Institutional Buyer, a non-U.S. Person or an institutional “Accredited Investor,” as applicable, upon their request, any information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

The trustee will not be obligated to monitor or confirm, on a continuing basis or otherwise, RWLV’s compliance with the covenant described under “—Reports” or to determine whether such information, documents or reports have been posted on any website.

### ***Consolidation, Merger, Conveyance of Assets***

The indenture will provide that neither Issuer will consolidate with or merge with or into any other entity, or sell, convey, transfer or lease its assets substantially as an entirety to any Person, unless:

- either (a) RWLV or, as the case may be, RWLV Capital, is the surviving entity or (b) the Person (if other than RWLV) formed by such consolidation, or with or into which such Issuer is merged, or that acquires such assets shall be organized under the laws of the United States, any state thereof, or the District of Columbia and expressly assumes by supplemental indenture such Issuer’s obligations under the indenture and the notes; *provided* that RWLV Capital may not consolidate with or merge with or into any Person other than a corporation satisfying such requirement for so long as RWLV is not a corporation; and
- immediately after giving effect to that transaction, no event of default, and no event that, after notice or lapse of time or both, would become an event of default, shall have occurred and be continuing.

Notwithstanding the foregoing, the limitations described above shall not apply to (x) a sale, conveyance, transfer or lease of assets between or among RWLV and RWLV Capital, any Guarantor or any Subsidiary of RWLV that is a “Restricted Subsidiary” under the Credit Agreement (as defined therein), any other Credit Facility or any Capital Markets Debt, (y) the conversion of RWLV into a corporation pursuant to a Permitted C-Corp Conversion, or (z) any sale, conveyance or transfer of real property and related assets to any Person qualified to be treated for tax purposes as a real estate investment trust under Sections 856-860 of the Code, a Subsidiary of such Person or any other lessor (or Affiliate of such lessor) to the extent RWLV or any of its Subsidiaries will lease such real property and related assets. In addition, in the event RWLV becomes a corporation, or RWLV or the Person formed by or surviving any consolidation or merger is a corporation, RWLV Capital may be merged into RWLV or it may be dissolved in accordance with the indenture and cease to be a co-issuer of the notes.

### ***Event Risk***

Except for the limitations described above under the subsections “—Limitations on Liens” and “—Limitations on Sale and Lease-Back Transactions,” the indenture will not afford holders of the notes protection in the event of a highly leveraged transaction involving either Issuer or any Guarantor and will not contain any restrictions on the amount of additional indebtedness that either Issuer, any Guarantor or any of their respective Subsidiaries may incur.

## Certain Definitions

“Adjusted Treasury Rate” means, with respect to any redemption date, the rate per annum equal to: (1) the yield, under the heading that represents the average for the immediately preceding week, appearing in the most recently published statistical release designated “H.15(519)” or any successor publication that is published weekly by the Board of Governors of the Federal Reserve System and which establishes yields on actively traded U.S. Treasury securities, adjusted to constant maturity under the caption “Treasury Constant Maturities” for the maturity corresponding to the Optional Redemption Comparable Treasury Issue; *provided* that, if no maturity is within three months before or after the remaining term of the notes, yields for the two published maturities most closely corresponding to the Optional Redemption Comparable Treasury Issue will be determined and the Adjusted Treasury Rate will be interpolated or extrapolated from such yields on a straight line basis, rounding to the nearest month; or (2) if such release (or any successor release) is not published during the week preceding the calculation date or does not contain such yields, the rate per annum equal to the semiannual equivalent yield to maturity of the Optional Redemption Comparable Treasury Issue, calculated using a price for the Optional Redemption Comparable Treasury Issue (expressed as a percentage of its principal amount) equal to the Optional Redemption Comparable Treasury Price for such redemption date. The Issuers (or their designee) will (a) determine the Adjusted Treasury Rate and the make-whole amount with respect to any redemption on the third business day prior to the redemption date, and (b) prior to such redemption date file with the trustee an officers’ certificate setting forth the Applicable Treasury Rate and the make-whole amount and showing the calculation of such in reasonable detail.

“Attributable Debt” means, with respect to any Sale and Lease-Back Transaction as of any particular time, the present value discounted at the rate of interest implicit in the terms of the lease of the obligations of the lessee under such lease for net rental payments during the remaining term of the lease.

“Beneficial Owner” has the meaning assigned to such term in Rule 13d-3 and Rule 15d-5 under the Exchange Act, except that in calculating the beneficial ownership of any particular “person” (as that term is used in Section 13(d)(3) of the Exchange Act), such “person” will be deemed to have beneficial ownership of all securities that such “person” has the right to acquire by conversion or exercise of other securities, whether such right is currently exercisable or is exercisable only after the passage of time. The terms “Beneficially Owns” and “Beneficially Owned” have a corresponding meaning.

“Board of Directors” means:

- (a) with respect to a corporation, the board of directors of the corporation or committee thereof duly authorized to act on behalf of such board;
- (b) with respect to a partnership, the board of directors of the general partner of the partnership;
- (c) with respect to a limited liability company, the Person or Persons who are the managing member, members or managers or any controlling committee or managing members or managers thereof; and
- (d) with respect to any other Person, the board or committee of such Person serving a similar function.

“Capital Markets Debt” means any Debt consisting of bonds, debentures, notes or other similar debt securities issued in (a) a public offering registered under the Securities Act, (b) a private placement to institutional investors that is resold in accordance with Rule 144A or Regulation S under the Securities Act, whether or not it includes registration rights entitling the holders of such debt securities to registration thereof with the SEC, or (c) a private placement to institutional investors. For the avoidance of doubt, the term “Capital Markets Debt” does not include any Debt under commercial



bank facilities or similar Debt, any Sale and Lease-back Transaction, capital lease or recourse transfer of any financial asset or any other type of Debt incurred in a manner not customarily viewed as a “securities offering.”

“Capital Stock” means:

- (a) in the case of a corporation, corporate stock;
- (b) in the case of an association or business entity, any and all shares, interests, participations, rights or other equivalents (however designated) of corporate stock;
- (c) in the case of a partnership or limited liability company (or a series thereof), partnership interests (whether general or limited) or membership interests (whether general or limited);
- (d) any other interests or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, the issuing Person, but excluding from all of the foregoing any debt securities convertible into Capital Stock, whether or not such debt securities include any right of participation with Capital Stock.

“CFC” means a “controlled foreign corporation” within the meaning of Section 957 of the Code.

“CFC Holding Company” means any Domestic Subsidiary that owns no material assets (directly or through its Subsidiaries) other than equity interests (or equity interests and indebtedness) of one or more Subsidiaries that are CFCs.

“Change Order Funding Agreement” means that certain Change Order Funding Agreement, dated as of the Issue Date, by and among GOHL, the trustee and the administrative agent under the Credit Agreement, as amended, restated, modified, renewed or replaced in whole or in part from time to time.

“Code” means the United States Internal Revenue Code of 1986, as amended.

“Company Website” means the collection of web pages that may be accessed on the World Wide Web using the URL address <https://www.rwlasvegas.com/> or such other address as RWLV may from time to time designate in writing to the trustee.

“Completion Date” means the date on which Construction Completion occurs.

“Consolidated Tangible Assets” means, as of any date of determination, the total assets of RWLV and its Subsidiaries as set forth on the consolidated balance sheet of RWLV as of the most recent fiscal quarter end for which a consolidated balance sheet of RWLV and its Subsidiaries is available, *minus* the total goodwill and other intangible assets of RWLV and its Subsidiaries reflected on such balance sheet, in each case, calculated on a consolidated basis in accordance with GAAP (which calculation shall give pro forma effect to any acquisition by or disposition of assets of RWLV or any of its Subsidiaries that has occurred since the end of such fiscal quarter, as if such acquisition or disposition had occurred on the last day of such fiscal quarter).

“Construction Completion” has the meaning set forth in the Disbursement Agreement.

“Credit Agreement” means that certain Credit Agreement, dated as of the Issue Date, by and among RWLV, certain subsidiaries of RWLV, Citibank, N.A., as administrative agent and as collateral agent, and the other parties thereto, as amended, restated, modified, renewed, extended, increased, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time, whether with the same or different lenders.

“Credit Facilities” means, one or more debt facilities (including, without limitation, the Credit Agreement) or commercial paper facilities, in each case, with banks or other institutional lenders, accredited investors or institutional investors providing for revolving credit loans, term loans, term debt,

receivables financing (including through the sale of receivables to such lenders or to special purpose entities formed to borrow from such lenders against such receivables) or letters of credit, in each case, as amended, restated, modified, renewed, extended, increased, refunded, replaced in any manner (whether upon or after termination or otherwise) or refinanced in whole or in part from time to time.

“Credit Support Document” means any of (a) the Keepwell Deed, (b) the Change Order Funding Agreement, (c) the Debt Service Funding Agreement and (d) the Key Money Funding Agreement.

“Credit Support Party” means Genting Berhad, GOHL and any other Affiliate of the Issuers, Genting Berhad or GOHL (other than the Issuers and their respective Subsidiaries) party to any Credit Support Document.

“Debt” means debt for borrowed money. For the avoidance of doubt, Debt does not include any obligation of the Issuers or the Guarantors incurred in the ordinary course of business in respect of casino chips or similar instruments.

“Debt Service Funding Agreement” means that certain Debt Service Funding Agreement, dated as of the Issue Date, by and among GOHL and the trustee, as amended, restated, modified, renewed or replaced in whole or in part from time to time.

“Decommissioning Agreement” means that certain Clark County Comprehensive Planning and Performance Agreement, dated as of October 3, 2018, between the County of Clark, Nevada and RWLV.

“Development Expenses” means, without duplication, the aggregate principal amount, not to exceed \$750.0 million at any time, of (a) outstanding Debt incurred after the Issue Date, the proceeds of which, at the time of determination, as certified by a Responsible Officer of RWLV, are pending application and are required or intended to be used to fund and (b) amounts spent after the Issue Date (whether funded with the proceeds of Debt, cash flow or otherwise) to fund, in each case, (i) Expansion Capital Expenditures of RWLV or any of its Subsidiaries, (ii) a Development Project or (iii) interest, fees or related charges with respect to such Debt; *provided* that (A) such Expansion Capital Expenditures, Development Project or interest, fees or related charges, as applicable, are related to the Project, (B) RWLV or such Subsidiary or other Person that owns assets subject to the Expansion Capital Expenditure or Development Project, as applicable, is diligently pursuing the completion thereof and has not at any time ceased construction of such Expansion Capital Expenditure or Development Project, as applicable, for a period in excess of 90 consecutive days (other than as a result of a force majeure event or inability to obtain requisite Gaming Approvals or other governmental authorizations, so long as, in the case of any such Gaming Approvals or other governmental authorizations, RWLV or such Subsidiary or other applicable Person is diligently pursuing such Gaming Approvals or governmental authorizations), (C) no such Debt or funded costs shall constitute Development Expenses with respect to an Expansion Capital Expenditure or a Development Project from and after the end of the first full fiscal quarter after the completion of construction of the applicable Expansion Capital Expenditure or Development Project or, in the case of a Development Project or Expansion Capital Expenditure that was not open for business when construction commenced, from and after the end of the first full fiscal quarter after the date of opening of such Development Project or Expansion Capital Expenditure, if earlier, and (D) in order to avoid duplication, it is acknowledged that to the extent that the proceeds of any Debt referred to in clause (a) above have been applied (whether for the purposes described in clauses (i), (ii) or (iii) above or any other purpose), such Debt shall no longer constitute Development Expenses under clause (a) above (it being understood, however, that any such application in accordance with clauses (i), (ii) or (iii) above shall, subject to the other requirements and limitations of this definition, constitute Development Expenses under clause (b) above); *provided* that Development Expenses shall exclude all Project Costs.

“Development Project” means investments (other than Project Costs), directly or indirectly, (a) in any Joint Ventures or Subsidiaries in which RWLV or any of its Subsidiaries, directly or indirectly, has control or with whom it has a management, development or similar contract and, in the case of a Joint Venture, in which RWLV or any of its Subsidiaries owns (directly or indirectly) at least 25% of the Equity Interests of such Joint Venture, or (b) in, or expenditures with respect to, casinos, casino resorts, non-gaming resorts, hotels, distributed gaming applications, entertainment developments, restaurants, retail developments or taverns or Persons that own casinos, casino resorts, non-gaming resorts, hotels, distributed gaming applications, entertainment developments, restaurants, retail developments or taverns (including casinos, casino resorts, non-gaming resorts, hotels, distributed gaming applications, entertainment developments, restaurants, retail developments or taverns in development or under construction that are not presently open or operating) with respect to which RWLV or any of its Subsidiaries will own the development or (directly or indirectly through Subsidiaries) RWLV or any of its Subsidiaries has entered into a management, development or similar contract (or an agreement to enter into such a management, development or similar contract) and such contract remains in full force and effect at the time of such Investment, though it may be subject to regulatory approvals, in each case, used to finance, or made for the purpose of allowing such Joint Venture, Subsidiary, casino, casino resort, non-gaming resort, hotel, distributed gaming application, entertainment development, restaurant, retail development or tavern, as the case may be, to finance the purchase or other acquisition or construction of any fixed or capital assets or the refurbishment of existing assets or properties that develops, adds to or significantly improves the property of such Joint Venture, Subsidiary, casino, casino resort, non-gaming resort, hotel, distributed gaming application, entertainment development, restaurant, retail development or tavern and assets ancillary or related thereto, or the construction and development of a casino, casino resort, non-gaming resort, hotel, distributed gaming application, entertainment development, restaurant, retail development or tavern or assets ancillary or related thereto and including Pre-Opening Expenses with respect to such Joint Venture, Subsidiary, casino, casino resort, non-gaming resort, hotel, distributed gaming application, entertainment development, restaurant, retail development or tavern and other fees and payments to be made to such Joint Venture, Subsidiary or the owners of such casino, casino resort, non-gaming resort, hotel, distributed gaming application, entertainment development, restaurant, retail development or tavern.

“Disbursement Agreement” means that certain Disbursement Agreement, dated as of the Issue Date, by and among RWLV, KeyBank National Association, as disbursement agent, Citibank, N.A., as administrative agent under the Credit Agreement, and the trustee, as amended, restated, modified, renewed or replaced in whole or in part from time to time.

“Dollar Equivalent” means, with respect to any monetary amount in a currency other than U.S. dollars, at any time of determination thereof, the amount of U.S. dollars that could be obtained by converting such currency into U.S. dollars at the base rate for the purchase of U.S. dollars with such currency, as quoted by the Federal Reserve Bank of New York on such date of determination.

“Domestic Subsidiary” means each Subsidiary that is incorporated, organized or formed in the United States, any state thereof or the District of Columbia.

“Equity Interests” means with respect to any Person, any and all shares, interests, participations or other equivalents, including membership interests (however designated, whether voting or non-voting), of equity of such Person, including, if such Person is a partnership, partnership interests (whether general or limited) and any other interest or participation that confers on a Person the right to receive a share of the profits and losses of, or distributions of assets of, such partnership, whether outstanding on the Issue Date or issued after the Issue Date; *provided, however*, that a debt instrument convertible into or exchangeable or exercisable for any Equity Interests or Swap Contracts entered into as a part of, or in connection with, an issuance of such debt instrument, shall not be deemed an Equity Interest.

“ERISA” means the Employee Retirement Income Security Act of 1974, as amended from time to time, and the regulations issued thereunder.

“Excluded Subsidiary” means each Subsidiary that is (a) a Foreign Subsidiary, (b) a CFC Holding Company, or (c) Subsidiary of a Foreign Subsidiary if such Foreign Subsidiary is a CFC.

“Exhausted” means the time at which no funds remain in the Notes Proceeds Account.

“Expansion Capital Expenditures” means any capital expenditure by RWLV or any of its Subsidiaries in respect of the purchase, construction or other acquisition of any fixed or capital assets or the refurbishment of existing assets or properties that, in RWLV’s reasonable determination, adds to or significantly improves (or is reasonably expected to add to or significantly improve) the property of RWLV and its Subsidiaries, excluding capital expenditures made in the ordinary course to maintain, repair, restore or refurbish the property of RWLV and its Subsidiaries in its then-existing state or to support the continuation of such Person’s day-to-day operations as then conducted; *provided* that Expansion Capital Expenditures shall exclude all Project Costs.

“Foreign Subsidiary” means each Subsidiary that is organized under the laws of a jurisdiction other than the United States or any state thereof, or the District of Columbia.

“Funded Debt” means Debt which by its terms matures at, or is extendible or renewable at the option of the obligor to, a date more than twelve months after the date of the creation of such Debt.

“GAAP” means generally accepted accounting principles set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect on the Issue Date; *provided* that, notwithstanding anything to the contrary contained in the indenture, (i) notwithstanding any changes in GAAP after December 31, 2018, any lease of RWLV or any of its Subsidiaries that would be characterized as an operating lease under GAAP as in effect on December 31, 2018 (whether such lease is entered into before or after December 31, 2018) shall not constitute Debt, a capital lease or a “financing lease” (or terms of similar effect) of RWLV or any of its Subsidiaries under the indenture or the notes as a result of such changes in GAAP, and (ii) no Gaming Lease shall constitute a mortgage, Debt, a capital lease or a “financing lease” (or terms of similar effect) regardless of how such Gaming Lease may be treated under GAAP or for financial reporting purposes.

“Gaming Approvals” means any and all approvals, authorizations, permits, consents, rulings, orders or directives of any governmental authority (including, without limitation, any Gaming Authority) in favor of the Issuers or any of their Subsidiaries or other Affiliates (a) necessary to enable the Issuers or any of their Subsidiaries or other Affiliates to engage in, operate or manage the casino, gambling or gaming business or otherwise continue to conduct, operate or manage such business substantially as is presently conducted, operated or managed or contemplated to be conducted, operated or managed following the Issue Date (after giving effect to the Transactions), (b) required by any Gaming Law or (c) necessary as is contemplated on the Issue Date (after giving effect to the Transactions), to accomplish the financing and other transactions contemplated hereby after giving effect to the Transactions.

“Gaming Authority” means any agency, authority, board, bureau, commission, department, office or instrumentality of any nature whatsoever of the United States federal government, any foreign government, any state, province or city or other political subdivision or otherwise, whether on the date of the indenture or thereafter in existence, including the Nevada Gaming Commission, the Nevada State Gaming Control Board, the Clark County Liquor and Gaming Licensing Board and any other applicable gaming regulatory authority or agency, in each case, with authority to regulate the sale or distribution of liquor or any gaming operation (or proposed gaming operation) owned, managed or operated by the Issuers or any of their Subsidiaries or other Affiliates.

“Gaming Facility” means (a) the Project, and (b) any gaming establishment and, in each case, other property or assets ancillary thereto or used in connection therewith, including, without limitation, any casinos, hotels, convention centers, meeting centers, spas, resorts, historical horse racing, off-track wagering sites, gambling taverns, video lottery, video gaming theaters, distributed gaming locations, theaters, parking facilities, recreational vehicle parks, timeshare operations, condo hotels, retail shops, restaurants, other buildings, land, golf courses and other recreation and entertainment facilities, marinas, vessels, barges, ships and related equipment and including any internet, interactive, online, virtual or social gaming-related assets, operations, technology or platforms, and other property and assets ancillary thereto or used in connection therewith.

“Gaming Law” means the gaming laws, rules, regulations or ordinances of any jurisdiction or jurisdictions to which the Issuers or any of their Subsidiaries or other Affiliates is, or may be, at any time subject.

“Gaming Lease” means any lease entered into for the purpose of the Issuers or any of their Subsidiaries or other Affiliates to acquire the right to occupy and use real property, vessels or similar assets for, or in connection with, the construction, development or operation of Gaming Facilities or any portion thereof.

“Gaming License” means any Gaming Approval or other casino, gambling or gaming license issued by any Gaming Authority in favor of the Issuers or any of their Subsidiaries or other Affiliates covering any such activity at any Gaming Facility.

“GOHL” means Genting Overseas Holdings Limited, a company incorporated under the laws of the Isle of Man.

“Hedging Obligations” means, with respect to any specified Person, the obligations of such Person under:

- (a) interest rate swap agreements (whether from fixed to floating or from floating to fixed), interest rate cap agreements and interest rate collar agreements;
- (b) other agreements or arrangements designed to manage interest rates or interest rate risk; and
- (c) other agreements or arrangements designed to protect such Person against fluctuations in currency exchange rates and/or commodity prices.

“Independent Investment Banker” means Citigroup Global Markets Inc., or if such firm is unwilling or unable to serve as such, an independent investment and banking institution of national standing appointed by the Issuer.

“Interest Rate Protection Agreement” means, for any Person, an interest rate swap, cap or collar agreement or similar arrangement between such Person and one or more financial institutions providing for the transfer or mitigation of interest risks either generally or under specific contingencies.

“Issue Date” means the date on which the notes are first authenticated and delivered under the indenture.

“Joint Venture” means any partnership, corporation or other entity in which up to and including 50% of the partnership interests, outstanding Voting Stock or other Equity Interests is owned, directly or indirectly, by the Issuers and/or one or more Subsidiaries. A Joint Venture is not treated as a Subsidiary.

“Keepwell Deed” means that certain Keepwell Deed, dated as of the Issue Date, by and among RWLV, Genting Berhad, Citibank, N.A., as administrative agent under the Credit Agreement, and the trustee, as amended, restated, modified, renewed or replaced in whole or in part from time to time.

“Key Money Funding Agreement” means that certain Key Money Funding Agreement, dated as of the Issue Date, by and among GOHL, the trustee and the administrative agent under the Credit Agreement, as amended, restated, modified, renewed or replaced in whole or in part from time to time.

“Optional Redemption Comparable Treasury Issue” means the U.S. Treasury security selected by the Independent Investment Banker as having a maturity comparable to the remaining term of the notes that would be utilized, at the time of selection and in accordance with customary financial practice, in pricing new issues of corporate debt securities of comparable maturity to the remaining term of the notes or, if, in the reasonable judgment of the Independent Investment Banker, there is no such security, then the Optional Redemption Comparable Treasury Issue will mean the U.S. Treasury security or securities selected by the Independent Investment Banker as having an actual or interpolated maturity or maturities comparable to the remaining term of the notes.

“Optional Redemption Comparable Treasury Price” means, as determined by the Independent Investment Banker, (1) the average of four Optional Redemption Reference Treasury Dealer Quotations for the applicable redemption date, after excluding the highest and lowest Optional Redemption Reference Treasury Dealer Quotations, or (2) if the Independent Investment Banker obtains fewer than four such Optional Redemption Reference Treasury Dealer Quotations, the average of all such quotations.

“Optional Redemption Reference Treasury Dealer” means each of (i) Citigroup Global Markets Inc. (or any affiliate thereof that is a primary U.S. governmental securities dealer (a “Primary Treasury Dealer”)), (ii) J.P. Morgan Securities LLC (or any affiliate thereof that is a Primary Treasury Dealer), (iii) Barclays Capital Inc. (or any affiliate thereof that is a Primary Treasury Dealer) and (iv) one other Primary Treasury Dealer selected by the Issuers, and their respective successors; *provided* that if any of the foregoing ceases to be, and has no affiliate that is, a Primary Treasury Dealer, the Issuers will substitute for it another Primary Treasury Dealer.

“Optional Redemption Reference Treasury Dealer Quotations” means, with respect to each Optional Redemption Reference Treasury Dealer and any redemption date, the average, as determined by the Independent Investment Banker, of the bid and asked prices for the Optional Redemption Comparable Treasury Issue (expressed in each case as a percentage of its principal amount) quoted in writing to the Independent Investment Banker at 5:00 p.m., New York City time, on the third business day preceding such redemption date.

“Par Call Date” means January 16, 2029 (three months prior to the maturity date of the notes).

“Permitted C-Corp Conversion” means a transaction resulting in RWLV or any of its Subsidiaries becoming a subchapter “C” corporation under the Code, so long as, in connection with such transaction:

- (1) the subchapter “C” corporation resulting from such transaction is a corporation organized and existing under the laws of any state of the United States or the District of Columbia and the Beneficial Owners of the Equity Interests of the subchapter “C” corporation shall be the same, and shall be in the same percentages, as the Beneficial Owners of Equity Interests of the applicable entity immediately prior to such transaction;
- (2) the subchapter “C” corporation resulting from such transaction assumes in writing all of the obligations, if any, of the applicable entity under (a) the indenture, the notes and the guarantees by the Guarantors and (b) all other documents and instruments to which such Person is a party (other than, in the case of clause (a) only, any documents and instruments that, individually or in the aggregate, are not material to the subchapter “C” corporation);
- (3) the trustee is given not less than 15 days’ advance written notice of such transaction;

- (4) such transaction would not cause or result in a default or an event of default;
- (5) such transaction does not result in the loss or suspension or material impairment of any Gaming License unless a comparable Gaming License is effective prior to or simultaneously with such loss, suspension or material impairment;
- (6) such transaction does not require any holder or Beneficial Owner of the notes to obtain a Gaming License or be qualified or found suitable under the laws of any applicable gaming jurisdiction; and
- (7) RWLV shall have delivered to the trustee a certificate of the chief financial officer of RWLV confirming that the conditions in clauses (1) through (6) have been satisfied.

“Permitted Franchise Agreement” means any management, franchise, branding, licensing or similar agreement with respect to all or any portion of the Project between RWLV and its subsidiaries, on the one hand, and any other Person, on the other hand, in such other Person’s capacity as manager, franchisor, brand owner, licensor or similar capacity.

“Person” means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company (or series thereof) or government or other entity.

“Pre-Opening Expenses” means, with respect to any fiscal period, the amount of expenses (including consolidated interest expense) incurred with respect to capital projects which are appropriately classified as “property transactions”, “pre-opening expenses” or “start-up expenses” on the applicable financial statements of RWLV and its Subsidiaries for such period.

“Principal Property” means any real estate or other physical facility or depreciable asset or securities the net book value of which on the date of determination exceeds the greater of \$25.0 million and 2.5% of Total Assets.

“Project” means the casino and integrated resort being developed by RWLV in one or more phases, consisting of gaming, meeting, retail, entertainment, food and beverage venues, hotel towers, parking lots and other amenities on land in Las Vegas, Nevada.

“Project Costs” has the meaning given in the Disbursement Agreement.

“Sale and Lease-Back Transaction” means any arrangement with any Person providing for the leasing by RWLV or any Guarantor of any property from such Person, whereby such property had been sold or transferred by RWLV or any Guarantor to such Person.

“Significant Subsidiary” means a Subsidiary that is a “significant subsidiary” of RWLV as such term is defined in Rule 1-02(w) of Regulation S-X as in effect on the date of the indenture.

“Subsidiary” means (1) any corporation, association or other business entity (other than a partnership or limited liability company) of which more than 50% of the total voting power of shares of Voting Stock is at the time of determination owned or controlled, directly or indirectly, by the specified Person, one or more of its Subsidiaries or a combination thereof and (2) any partnership or limited liability company (or a series thereof) of which (x) more than 50% of the capital accounts, distribution rights, total equity and voting interests or general and limited partnership interests, as applicable, are owned or controlled, directly or indirectly, by the specified Person, one or more of its Subsidiaries or a combination thereof, whether in the form of membership, general, special or limited partnership interests or otherwise, and (y) the specified Person or any of its Subsidiaries is a controlling general partner or otherwise controls such entity; *provided* that, in the case of Genting Berhad, “Subsidiary” also means (in addition to the Persons described in the foregoing clauses (1) and (2)) any Person, the financial statements of which are consolidated with those of Genting Berhad. Unless otherwise

qualified, all references to a “Subsidiary” or to “Subsidiaries” in this Description of Notes shall refer to a Subsidiary or Subsidiaries of RWLV.

“Swap Contract” means any agreement entered into in the ordinary course of business (as a bona fide hedge and not for speculative purposes) (including any master agreement and any schedule or agreement, whether or not in writing, relating to any single transaction) that is an interest rate swap agreement, basis swap, forward rate agreement, commodity swap, commodity option, equity or equity index swap or option, bond option, interest rate option, foreign exchange agreement, rate cap, collar or floor agreement, currency swap agreement, cross-currency rate swap agreement, swap option, currency option or any other similar agreement (including any option to enter into any of the foregoing) and is designed to protect RWLV or any of its Subsidiaries against fluctuations in interest rates, currency exchange rates, commodity prices, or similar risks (including any Interest Rate Protection Agreement). For the avoidance of doubt, the term “Swap Contract” includes, without limitation, any call options, warrants and capped calls entered into as part of, or in connection with, an issuance of convertible or exchangeable debt by RWLV or any of its Subsidiaries.

“Total Assets” means, as of any date of determination, the total assets of RWLV and its Subsidiaries as of such date, determined on a consolidated basis in accordance with GAAP.

“Transactions” means, collectively, (a) the entering into of the Credit Agreement and the related documents and the borrowings thereunder, (b) the entering into of the indenture and the issuance of the notes and (c) the payment of fees and expenses in connection with the foregoing.

“Transfer Agreement” means any trust or similar arrangement required by any Gaming Authority from time to time with respect to the Equity Interests of any Subsidiary (or any Person that was a Subsidiary) or any Gaming Facility.

“Treasury Management Agreements” means any agreement or other arrangement governing the provision of treasury or cash management services, including deposit accounts, overdraft, credit or debit card, funds transfer, automated clearinghouse, zero balance accounts, returned check concentration, controlled disbursement, lockbox, account reconciliation and reporting and trade finance services and other cash management services.

“UCC” means the Uniform Commercial Code as from time to time in effect in the applicable state or other jurisdiction.

### **Book-Entry; Delivery and Form**

The notes will initially be issued only in registered, book-entry form, in minimum denominations of \$200,000 and any integral multiples of \$100,000 as described under “Book-Entry System.” The Issuers will issue one or more global notes in denominations that together equal the total aggregate principal amount of the notes then outstanding.

### **Listing**

Application has been made for the listing and quotation of the notes on the Official List of the SGX-ST. The notes will be traded on the SGX-ST in a minimum board lot size of \$200,000 for so long as the notes are listed on the SGX-ST. If and for so long as the Notes are listed on the SGX-ST and the rules of the SGX-ST so require, in the event that book-entry interests in the global notes are exchanged for notes in certificated form, the Issuers will appoint and maintain a paying agent in Singapore where the notes in certificated form may be presented or surrendered for payment or redemption. The Issuers will announce through the SGX-ST any issue of notes in certificated form in exchange for book-entry interests in the global notes, including in the announcement all material information with respect to the delivery of the notes in certificated form, including details of the paying agent in Singapore. There can be no guarantee that the notes become listed, and if listed, that they



remain listed. See “Risk Factors—Risks Relating to the Notes, the Guarantees, the Keepwell Deed and the Funding Agreements—A trading market for the notes may not develop, and there are restrictions on resales of the notes.”

### **Modification and Supplemental Indentures**

The Issuers, the Guarantors and the trustee may amend or supplement the indenture with the consent of the holders of a majority in aggregate principal amount of the notes then outstanding; *provided, however*, that without the consent of each holder of notes affected thereby, no amendment or supplement may (with respect to any notes held by a non-consenting holder):

- reduce the amount of notes whose holders must consent to an amendment, supplement or waiver;
- reduce the rate of or change the time for payment of interest on any note;
- reduce the principal amount of any note or change its stated maturity;
- reduce any premium payable on the redemption of the note or alter the provisions with respect to the redemption of the notes (other than provisions relating to the covenants described above under the caption “—Repurchase at the Option of Holders”);
- make payments on any note payable in currency other than U.S. dollars;
- impair the holder’s right to institute suit for the enforcement of any payment on or with respect to the note;
- make any change in the percentage of principal amount of notes necessary to waive compliance with certain provisions of the indenture;
- waive a continuing default or event of default regarding the payment of principal of, premium, if any, on, or interest, if any, on, the notes (except a rescission of acceleration of the notes by the holders of at least a majority in aggregate principal amount of the notes then outstanding and a waiver of the payment default that resulted from such acceleration);
- make any change in the preceding amendment and waiver provisions; or
- release the security interest in the Notes Proceeds Account other than in the circumstances described in the last clause of the second succeeding paragraph.

For the avoidance of doubt, no amendment to, or deletion of any of the covenants described under “—Certain Covenants,” or action taken in compliance with the covenants in effect at the time of such action, shall be deemed to impair or affect any rights of any holder of notes to receive payment of principal of, or premium, if any, or interest on, the notes or to institute suit for the enforcement of any payment on or with respect to such holder’s notes.

Without the consent of any holder of notes then outstanding, the Issuers, the Guarantors and the trustee may amend or supplement the indenture and the notes to, among other things:

- cure any ambiguity, omission, defect or inconsistency;
- provide for the assumption by a successor to the obligations of either Issuer or any Guarantor under the indenture;
- provide for uncertificated notes in addition to or in place of notes in certificated form;
- provide any security for, any guarantees of or any additional obligors or guarantors on the notes or the related guarantees or release of any Guarantor from its guarantee of the notes in the manner provided in the indenture;

- add covenants that would benefit the holders of the notes or surrender any rights the Issuers or the Guarantors have under the indenture;
- add events of default with respect to the notes;
- provide for the issuance of any additional notes in accordance with the terms of the indenture;
- conform the text of the indenture or the notes to any provision of this “Description of Notes”;
- to evidence and provide for the acceptance of appointment under the indenture by a successor Trustee;
- make any other change that would provide any additional rights or benefits to the holders of the notes or that does not adversely affect the legal rights of any holder of outstanding notes in any material respect; or
- permit the release of Notes Proceeds Collateral on or after the Notes Collateral Release Date, or as otherwise permitted under the Disbursement Agreement (including, without limitation, in connection with the substitution of an Account Bank).

The holders of a majority in aggregate principal amount of the notes then outstanding may waive any existing or past default or event of default with respect to those debt securities. Those holders may not, however, waive any default or event of default in any payment on any note or compliance with a provision that cannot be amended or supplemented without the consent of each holder affected.

It is not necessary for the consent of the holders under the indenture to approve the particular form of any proposed amendment or waiver. It is sufficient if such consent approves the substance of the proposed amendment or waiver. A consent to any amendment or waiver under the indenture by any holder of notes may be given in connection with a tender or purchase of such holder’s notes. After an amendment or waiver under the indenture requiring consent of the holders becomes effective, the Issuers are required to transmit to the holders a notice briefly describing such amendment or waiver. However, the failure to transmit such notice, or any defect in the notice, will not impair or affect the validity of the amendment or waiver.

### **Events of Default**

The indenture will define an event of default with respect to the notes as being:

- (1) a default in payment of any principal of or premium, if any, on any notes when due, either at maturity, upon any redemption, by declaration or otherwise;
- (2) a default in payment of any interest on any notes when due, and such default continues for a period of 30 consecutive days;
- (3) a default by either Issuer or any Guarantor in compliance with the other agreements with respect to the notes contained in the indenture and such default continues for a period of 60 consecutive days after receipt of written notice from the trustee or holders of at least 25% in aggregate principal amount of the notes then outstanding;
- (4) certain events of bankruptcy, insolvency or reorganization of either Issuer, any Guarantor that is a Significant Subsidiary or any group of Guarantors that, considered in the aggregate as a single Subsidiary, would constitute a Significant Subsidiary;
- (5) except as permitted under the indenture, the failure to keep in full force and effect the full and unconditional guarantee of the notes by a Guarantor that is a Significant Subsidiary or by any group of Guarantors that, considered in the aggregate as a single Subsidiary, would constitute a Significant Subsidiary;

- (6) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Debt borrowed by the Issuers or any Guarantor that is a Significant Subsidiary, whether such Debt existed on the Issue Date, or is created after the Issue Date, if (i) such default results in the acceleration of such Debt prior to its stated maturity, and (ii) the principal amount of any such Debt, together with the principal amount of such other Debt (if any), the maturity of which has also been so accelerated, amounts to \$200.0 million or more (or the Dollar Equivalent thereof), provided such acceleration is not annulled within 30 days after written notice from the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding;
- (7) the commencement of a proceeding by any Credit Support Party seeking to establish the invalidity or unenforceability of any Credit Support Document (exclusive of questions of interpretation of any provision thereof);
- (8) the failure by the Issuers or any Guarantor that is a Significant Subsidiary to pay one or more final non-appealable judgments rendered against them for the payment of money (to the extent not paid or covered by insurance) in an aggregate amount in excess of \$200.0 million (or the Dollar Equivalent thereof), which judgments are not paid, bonded, discharged or stayed for a period of 60 days;
- (9) any other default with respect to the notes provided in a supplemental indenture entered into as described above under “—Modification and Supplemental Indentures”; and
- (10) prior to the occurrence of the Notes Collateral Release Date, any lien purported to be created by a Notes Proceeds Control Agreement on Notes Proceeds Collateral having a fair market value in excess of \$25.0 million shall cease to be in full force and effect, or shall cease to give the trustee, for the benefit of the holders of the notes, the first priority security interest and the rights, powers and privileges, in each case, purported to be created and granted under such Notes Proceeds Control Agreement in favor of the trustee, or shall be asserted in writing by the Issuers not to be a valid, perfected security interest in or mortgage on the Notes Proceeds Collateral, except to the extent any such perfection or priority is not required pursuant to the indenture (including, for the avoidance of doubt, where such Notes Proceeds Collateral (or any portion thereof) is subject to a mortgage permitted by the covenant described under “—Certain Covenants—Limitations on Liens”).

The trustee may withhold notice to the holders of the notes of any default or event of default (except in any payment on the notes) if the trustee considers it in the interest of the holders of the notes to do so.

If an event of default for the notes occurs and is continuing, the trustee or the holders of at least 25% in aggregate principal amount of the notes then outstanding may declare the principal of and all accrued and unpaid interest on those debt securities to be immediately due and payable. If an event of default relating to certain events of bankruptcy, insolvency or reorganization occurs, the principal of and interest on the notes will become immediately due and payable without any action on the part of the trustee or any holder. The holders of a majority in aggregate principal amount of the notes then outstanding may in some cases rescind this accelerated payment requirement or waive the event of default. The majority-holders, however, may not rescind or waive a continuing default in payment of principal of, premium, if any, or interest on the notes.

The trustee is entitled to receive indemnity, security and/or pre-funding satisfactory to it from the holders of the notes before the trustee exercises any of its rights or powers under the indenture at the request or direction of the holders. This indemnification is subject to the trustee’s duty to act with the required standard of care during a default.

Subject to certain exceptions and limitations, holders of a majority in aggregate principal amount of the notes then outstanding may direct the time, method and place of:

- conducting any proceeding for any remedy available to the trustee; and
- exercising any trust or power conferred upon the trustee relating to or arising as a result of an event of default.

However, the trustee may refuse to follow any direction that conflicts with law or the indenture, that may involve the trustee in personal liability, that the trustee determines in good faith may be unduly prejudicial to the rights of holders not joining in the giving of such direction, or if it is not provided with security, indemnity or pre-funding to its satisfaction and may take any other action it deems proper that is not inconsistent with any such direction received from holders. In addition, the trustee will not be required to expend its own funds under any circumstances.

In general, if an event of default has occurred and is continuing, no holder of a note may pursue any remedy with respect to the indenture, the notes or the guarantees unless:

- the holder has previously given the trustee written notice of a continuing event of default for the notes;
- the holders of at least 25% in aggregate principal amount of the notes then outstanding make a written request to the trustee to pursue the remedy;
- the holders offer to the trustee security, indemnity and/or pre-funding satisfactory to the trustee;
- the trustee fails to act for a period of 60 days after receipt of the request and offer of security, indemnity and/or pre-funding; and
- during that 60-day period, the holders of a majority in aggregate principal amount of the notes do not give the trustee, in the opinion of the trustee, a direction inconsistent with the request.

The holder may not, however, prejudice the rights of another holder or obtain a preference or priority over another holder. The above conditions do not affect the right of a holder of a note to sue for enforcement of any overdue payment.

The indenture will contain a covenant that the Issuers will file annually with the trustee a certificate of no default or a certificate specifying any default that exists.

#### **No Personal Liability of Directors, Officers, Employees and Equityholders**

No director, officer, employee, member, incorporator or equityholder of either of the Issuers or any Guarantor, as such, will have any liability for any obligations of the Issuers or any Guarantor under the notes, the indenture or the guarantees or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each holder of notes by accepting a note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the notes. The waiver may not be effective to waive liabilities under the federal securities laws.

#### **Discharge, Legal Defeasance and Covenant Defeasance**

**Defeasance.** For purposes of this description, the term “defeasance” means discharge from some or all of the Issuers’ and the Guarantors’ obligations under the indenture. If the Issuers or a Guarantor deposit with the trustee, in trust for the benefit of the holders, any combination of cash or U.S. government securities sufficient to make payments on the notes on the dates those payments are due (*provided* that, with respect to any redemption pursuant to “—Optional Redemption” that requires the payment of a premium based on the Adjusted Treasury Rate, the redemption price deposited shall be sufficient for purposes of this provision to the extent that the redemption price so deposited with the

trustee is calculated using an amount equal to an estimate of such premium computed using the Adjusted Treasury Rate as of the third business day preceding the date of such deposit with the trustee and the Issuers agree to provide funds sufficient to cover any shortfall in amounts due upon such redemption on or prior to the date of redemption), then, at the Issuers' option, either of the following will occur:

- the Issuers and the Guarantors will be discharged from their respective obligations with respect to the notes and the related guarantees (“legal defeasance”); or
- the Issuers will no longer have any obligation to comply with specified covenants with respect to the notes (including those described under “—Certain Covenants”) and other specified covenants under the indenture, the related events of default will no longer apply and the Guarantors will be discharged from their obligations under their guarantees (“covenant defeasance”).

If the notes are defeased, the holders will not be entitled to the benefits of the indenture, except for obligations to register the transfer or exchange of notes, replace stolen, lost or mutilated notes or maintain paying agencies and hold money for payment in trust. In the case of covenant defeasance, the Issuers' obligation to pay principal, premium and interest on the notes will also survive.

The Issuers will be required to deliver to the trustee an opinion of counsel that the deposit and related defeasance would not cause the beneficial owners of the notes to recognize income, gain or loss for U.S. federal income tax purposes and that the beneficial owners would be subject to U.S. federal income tax on the same amounts, in the same manner and at the same times as would have been the case if the deposit and related defeasance had not occurred. If the Issuers elect legal defeasance, that opinion of counsel must be based upon a ruling from the United States Internal Revenue Service or a change in law to that effect.

**Satisfaction and Discharge.** In addition, the indenture will be discharged and will cease to be of further effect with respect to the notes and the related guarantees, subject to certain exceptions, including those relating to registration of transfer or exchange of the notes, compensation and indemnity of the trustee and repayment to the Issuers of excess money or government securities, when:

- either
  - all outstanding notes have been delivered to the trustee for cancellation; or
  - all outstanding notes not delivered to the trustee for cancellation either:
    - have become due and payable,
    - will become due and payable at their stated maturity within one year, or
    - are to be called for redemption within one year;

and, in the case of the three immediately preceding bullet points, the Issuers or any Guarantor has deposited with the trustee, in trust for the benefit of the holders, any combination of cash or U.S. government securities in trust sufficient to pay the entire indebtedness on the notes when due; *provided* that, with respect to any redemption pursuant to “—Optional Redemption” that requires the payment of a premium based on the Adjusted Treasury Rate, the redemption price deposited shall be sufficient for purposes of this provision to the extent that the redemption price so deposited with the trustee is calculated using an amount equal to an estimate of such premium computed using the Adjusted Treasury Rate as of the third business day preceding the date of such deposit with the trustee and the Issuers agrees to provide funds sufficient to cover any shortfall in amounts due upon such redemption on or prior to the date of redemption; and

- the Issuers or the Guarantors have paid all other sums payable by the Issuers with respect to the notes and the indenture.

In addition, the Issuers must deliver an officers' certificate and an opinion of counsel to the trustee stating that all conditions precedent to satisfaction and discharge have been satisfied.

#### **Concerning the Trustee**

The trustee is one of a number of banks with which RWLV and its subsidiaries maintain ordinary banking relationships. An affiliate of the trustee is the administrative agent, security trustee and a lender under the Credit Agreement. An affiliate of the trustee is also an initial purchaser of the notes.

#### **Governing Law**

The indenture, the notes and the guarantees will be governed by, and construed in accordance with, the laws of the State of New York.

## BOOK-ENTRY SYSTEM

### General

Notes will be offered and sold to qualified institutional buyers in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A (the “Rule 144A Notes”). Notes will also be offered and sold to certain persons in offshore transactions in reliance on Regulation S (the “Regulation S Notes”). Except as set forth below, the Rule 144A Notes will be represented by one or more global notes in registered form without interest coupons (collectively, the “Rule 144A Global Notes”) and Regulation S Notes will initially be represented by one or more temporary global notes in registered form without interest coupons (collectively, the “Temporary Regulation S Global Notes”). Beneficial ownership interests in a Temporary Regulation S Global Note will be exchangeable for interests in a Rule 144A Global Note, a permanent global note (the “Permanent Regulation S Global Note”) or a definitive note in registered certificated form (a “certificated note”) only after expiration of the period through and including the 40th day after the later of the commencement of this offering and the closing of this offering (the “Distribution Compliance Period”) and then upon the terms and subject to the conditions set forth under “—Exchanges Among Global Notes.” The Temporary Regulation S Global Notes and the Permanent Regulation S Global Notes are referred to herein as the “Regulation S Global Notes,” and the Rule 144A Global Notes and the Regulation S Global Notes are collectively referred to herein as the “Global Notes.” Beneficial interests in the Temporary Regulation S Global Notes may be held only through the Euroclear System (“Euroclear”) and Clearstream Banking, S.A. (“Clearstream”) (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note in accordance with the certification requirements described below. Within a reasonable time period after the expiration of the Distribution Compliance Period, the Regulation S Temporary Global Notes will be exchanged for one or more Permanent Regulation S Global Notes upon delivery to DTC of certification of compliance with the transfer restrictions applicable to the notes and pursuant to Regulation S as provided in the indenture. In addition, beneficial interests in the Rule 144A Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described under “—Exchanges Among Global Notes.” The Global Notes will be deposited upon issuance with the trustee as custodian for DTC and registered in the name of DTC or its nominee, in each case, for credit to an account of a direct or indirect participant in DTC as described below.

Rule 144A Notes and Regulation S Notes (including beneficial interests in the Notes they represent) will be subject to certain restrictions on transfer and the Global Notes will bear restrictive legends as described under “Notice to Investors.”

Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for certificated notes except in the limited circumstances described below. See “—Exchange of Global Notes for Certificated Notes.” Except in the limited circumstances described below, owners of beneficial interests in the Global Notes will not be entitled to receive physical delivery of Notes in certificated form.

Transfers of beneficial interests in the Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants, including Euroclear and Clearstream, which may change from time to time.

### Depository Procedures

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no

responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that DTC is a limited-purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the “participants”) and to facilitate the clearance and settlement of transactions in those securities between participants through electronic book-entry changes in accounts of its participants. The participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC’s system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a participant, either directly or indirectly (collectively, the “indirect participants”). Persons who are not participants may beneficially own securities held by or on behalf of DTC only through the participants or the indirect participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the participants and indirect participants.

DTC has also advised us that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and
- (2) ownership of these interests in Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the participants) or by the participants and the indirect participants (with respect to other owners of beneficial interests in Global Notes). Investors in the Rule 144A Global Notes who are participants in DTC’s system may hold their interests therein directly through DTC.

Investors in Rule 144A Global Notes who are not participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) which are participants in such system. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in such systems, or indirectly through organizations that are participants. After the expiration of the Distribution Compliance Period (and not earlier), investors may also hold interests in the Regulation S Global Notes through participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream may hold interests in the Global Notes on behalf of their participants through customers’ securities accounts in their respective names on the books of their respective depositories, which are Euroclear Bank S.A./N.V., as operator of Euroclear, and Clearstream Banking, S.A., as operator of Clearstream. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems.

The laws of some jurisdictions require that certain persons take physical delivery in definitive form of securities that they own and the ability to transfer beneficial interests in a Global Note to persons that are subject to those requirements will be limited to that extent. Because DTC can act only on behalf of participants, which in turn act on behalf of indirect participants, the ability of a person having beneficial interests in a Global Note to pledge those interests to persons that do not participate in the DTC system, or otherwise take actions in respect of those interests, may be affected by the lack of a physical certificate evidencing those interests.



Except as described below, owners of an interest in Global Notes will not have Notes registered in their names, will not receive physical delivery of certificated notes and will not be considered the registered owners or “holders” thereof under the indenture governing the Notes for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered holder under the indenture governing the Notes. Under the terms of the indenture, the Issuers, the guarantors and the trustee will treat the persons in whose names the Notes, including Global Notes, are registered as the owners of such Notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuers, the guarantors or the trustee, or any agent of the Issuers, the guarantors or the trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC’s records or any participant’s or indirect participant’s records relating to or payments made on account of beneficial ownership interests in Global Notes or for maintaining, supervising or reviewing any of DTC’s records or any participant’s or indirect participant’s records relating to the beneficial ownership interests in Global Notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its participants or indirect participants.

DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the notes (including principal and interest), is to credit the accounts of the relevant participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on that payment date. Each relevant participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of notes as shown on the records of DTC. Payments by the participants and the indirect participants to the beneficial owners of notes will be governed by standing instructions and customary practices and will be the responsibility of the participants or the indirect participants and will not be the responsibility of DTC, the Issuers, the guarantors or the trustee. None of the Issuers, the guarantors or the trustee will be liable for any delay by DTC or any of its participants in identifying the beneficial owners of any notes, and the Issuers, the guarantors and the trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under “Notice to Investors,” transfers between participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the notes described herein, cross-market transfers between the participants in DTC, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by its respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to DTC. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a holder of notes only at the direction of one or more participants to whose account DTC has credited the interests in the Global Notes and only in respect of the portion of the aggregate principal amount of the notes as to

which that participant or those participants has or have given the relevant direction. However, if there is an event of default under the notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute such notes to its participants.

Although DTC, Euroclear and Clearstream have established the foregoing procedures in order to facilitate transfers of interests in Global Notes among participants in DTC, they are under no obligation to perform those procedures, and may discontinue or change those procedures at any time. None of the Issuers, the guarantors or the trustee or any of their respective agents will have any responsibility for the performance by DTC, Euroclear or Clearstream or their respective participants or indirect participants of their respective obligations under the rules and procedures governing its operations.

#### **Exchange of Global Notes for Certificated Notes**

A Global Note is exchangeable for a certificated note in minimum denominations of \$200,000 and in integral multiples of \$100,000 in excess thereof, if:

- DTC (1) notifies the Issuers that it is unwilling or unable to continue as depository for the applicable Global Notes or (2) has ceased to be a clearing agency registered under the Exchange Act and, in either case, the Issuers fail to appoint a successor depository within 90 days;
- the Issuers, at their option and subject to the procedures of DTC, notify the trustee in writing that they elect to cause the issuance of certificated notes (*provided* that in no event will the Temporary Regulation S Global Note be exchanged for certificated notes prior to (a) the expiration of the Distribution Compliance Period and (b) the receipt of any certificates required under the provisions of Regulation S); or
- there has occurred and is continuing an event of default with respect to the notes and DTC requests the issuance of certificated notes.

In all cases, certificated notes delivered in exchange for any Global Note or beneficial interests in a Global Note will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend unless that legend is not required by applicable law.

None of the Issuers, the guarantors or the trustee will be liable for any delay by a Global Note holder or DTC in identifying the beneficial owners of the notes and the Issuers, the guarantors and the trustee may conclusively rely on, and will be protected in relying on, instructions from the Global Note holder or DTC for all purposes.

#### **Exchanges Among Global Notes**

Beneficial interests in a Temporary Regulation S Global Note may be exchanged for beneficial interests in a Permanent Regulation S Global Notes or a Rule 144A Global Note only after the expiration of the Distribution Compliance Period and then only upon certification that, among other things, beneficial ownership interests in such Temporary Regulation S Notes are owned by or being transferred to either non-U.S. persons or U.S. persons who purchased such interests in a transaction that did not require registration under the Securities Act.

Beneficial interests in a Rule 144A Global Note may be transferred to a person who takes delivery in the form of an interest in a Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Issuers and the trustee a written certificate (in the form provided in the indenture) to the effect that the transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144.

In connection with any such transfer, appropriate adjustments will be made to reflect the changes in the principal amounts of the Regulation S Note and the Rule 144A Note, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in the original Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in the other Global Note.

#### **Same Day Settlement and Payment**

Payments in respect of the notes represented by a Global Note (including principal, premium, if any, and interest) will be made by wire transfer of immediately available funds to the accounts specified by the Global Note holder. With respect to any certificated notes, we will make all payments of principal, premium, if any, and interest in the manner described under “Description of Notes— Payments on the Notes; Paying Agent and Registrar.” We expect that secondary trading in any certificated notes will also be settled in immediately available funds.

Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a participant in DTC will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a participant in DTC will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC’s settlement date.

## CERTAIN U.S. FEDERAL INCOME TAX CONSEQUENCES

The following discussion is a summary of certain U.S. federal income tax consequences of the purchase, ownership and disposition of the notes issued pursuant to this offering, but does not purport to be a complete analysis of all potential U.S. federal income tax effects. The effects of other U.S. federal tax laws, such as estate and gift tax laws, and any applicable state, local or non-U.S. tax laws are not discussed. This discussion is based on the U.S. Internal Revenue Code of 1986, as amended (the “Code”), Treasury regulations promulgated thereunder (the “Treasury Regulations”), judicial decisions and published rulings and other administrative pronouncements of the U.S. Internal Revenue Service (the “IRS”), in each case in effect as of the date hereof. These authorities are subject to change or changes in interpretation. Any such change or change in interpretation may be applied retroactively in a manner that could adversely affect a holder of the notes. We have not sought and will not seek any rulings from the IRS regarding the matters discussed below. There can be no assurance the IRS or a court will not take a contrary position to that discussed below regarding the tax consequences of the purchase, ownership and disposition of the notes.

This discussion is limited to holders who hold the notes as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). In addition, this discussion is limited to persons purchasing the notes for cash at original issue and at their original “issue price” within the meaning of Section 1273 of the Code (*i.e.*, the first price at which a substantial amount of the notes is sold to investors for cash, excluding sales to bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). This discussion does not address all U.S. federal income tax consequences relevant to a holder’s particular circumstances, including the impact of the Medicare contribution tax on net investment income. In addition, it does not address consequences relevant to holders subject to special rules, including, without limitation:

- U.S. expatriates and former citizens or long-term residents of the United States;
- persons subject to the alternative minimum tax;
- U.S. Holders (as defined below) whose functional currency is not the U.S. dollar;
- persons holding the notes as part of a hedge, straddle or other risk reduction strategy or as part of a conversion transaction or other integrated investment;
- persons subject to special tax accounting rules as a result of any item of gross income with respect to the notes being taken into account on an “applicable financial statement” (as defined in Section 451(b) of the Code);
- banks, insurance companies, or other financial institutions;
- real estate investment trusts or regulated investment companies;
- brokers, dealers or traders in securities;
- “controlled foreign corporations,” “passive foreign investment companies,” or corporations that accumulate earnings to avoid U.S. federal income tax;
- entities or arrangements treated as partnerships or other pass-through entities for U.S. federal income tax purposes (or investors therein);
- U.S. Holders who hold notes through a non-U.S. broker or other non-U.S. intermediary;
- tax-exempt entities or governmental entities; and/or
- persons deemed to sell the notes under the constructive sale provisions of the Code.

If an entity or an arrangement treated as a partnership for U.S. federal income tax purposes holds the notes, the tax treatment of a partner in the partnership generally will depend on the status of the partner, the activities of the partnership and certain determinations made at the partner level. Accordingly, partnerships considering an investment in the notes and the partners in such partnerships should consult their tax advisors regarding the U.S. federal income tax consequences to them.

**THIS DISCUSSION IS FOR INFORMATION PURPOSES ONLY AND IS NOT TAX ADVICE. INVESTORS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO THE APPLICATION OF THE U.S. FEDERAL INCOME TAX LAWS TO THEIR PARTICULAR SITUATIONS AS WELL AS ANY TAX CONSEQUENCES OF THE PURCHASE, OWNERSHIP AND DISPOSITION OF THE NOTES ARISING UNDER OTHER U.S. FEDERAL TAX LAWS (INCLUDING ESTATE AND GIFT TAX LAWS), UNDER THE LAWS OF ANY STATE, LOCAL OR NON-U.S. TAXING JURISDICTION OR UNDER ANY APPLICABLE TAX TREATY.**

### **Tax Consequences Applicable to U.S. Holders**

#### ***Definition of a U.S. Holder***

For purposes of this discussion, a “U.S. Holder” is a beneficial owner of a note that is, for U.S. federal income tax purposes, (i) an individual who is a citizen or resident of the United States; (ii) a corporation created or organized under the laws of the United States, any state thereof or the District of Columbia; (iii) an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or (iv) a trust if a court within the United States is able to exercise primary supervision over the administration of the trust and one or more “United States persons” (within the meaning of Section 7701(a)(30) of the Code) have the authority to control all substantial decisions of the trust, or if a valid election is in place to treat the trust as a United States person for U.S. federal income tax purposes.

#### ***Stated Interest***

Stated interest on a note generally will be taxable to a U.S. Holder as ordinary income at the time such interest is received or accrued, in accordance with such U.S. Holder’s regular method of tax accounting for U.S. federal income tax purposes.

#### ***Sale or Other Taxable Disposition***

A U.S. Holder will recognize gain or loss on the sale, exchange, redemption, retirement or other taxable disposition of a note generally equal to the difference, if any, between the amount received for the note in cash or other property valued at fair market value (less amounts attributable to any accrued but unpaid stated interest, which will be taxable as ordinary income to the extent not previously included in income) and the U.S. Holder’s adjusted tax basis in the note. A U.S. Holder’s adjusted tax basis in a note generally will be equal to the amount the U.S. Holder paid for the note. Any gain or loss will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the note for more than one year at the time of sale or other taxable disposition. Otherwise, such gain or loss will be short-term capital gain or loss. Long-term capital gains recognized by non-corporate U.S. Holders, including individuals, generally will be taxable at a reduced rate. The deductibility of capital losses is subject to limitations.

#### ***Information Reporting and Backup Withholding***

A U.S. Holder generally will be subject to information reporting when the U.S. Holder receives payments of stated interest on a note or receives proceeds from the sale or other taxable disposition of a note (including a redemption or retirement of a note). A U.S. Holder will be subject to backup

withholding (at a rate of 24%) with respect to such payments and proceeds if the U.S. Holder is not otherwise exempt and:

- the U.S. Holder fails to furnish the U.S. Holder's taxpayer identification number, which for an individual is ordinarily his or her social security number;
- the U.S. Holder furnishes an incorrect taxpayer identification number;
- the applicable withholding agent is notified by the IRS that the U.S. Holder previously failed to properly report payments of interest or dividends; or
- the U.S. Holder fails to certify under penalties of perjury that the U.S. Holder has furnished a correct taxpayer identification number and that the IRS has not notified the U.S. Holder that the U.S. Holder is subject to backup withholding.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a U.S. Holder's U.S. federal income tax liability, *provided* that the required information is timely furnished to the IRS. Certain U.S. Holders (including corporations) are exempt from backup withholding. U.S. Holders should consult their tax advisors regarding their qualification for an exemption from backup withholding and the procedures for obtaining such an exemption.

### **Tax Consequences Applicable to Non-U.S. Holders**

#### ***Definition of a Non-U.S. Holder***

For purposes of this discussion, a "Non-U.S. Holder" is a beneficial owner of a note that is, for U.S. federal income tax purposes, an individual, corporation, estate or trust that is not a U.S. Holder.

#### ***Payments of Interest***

Subject to the discussion of backup withholding and FATCA below, interest paid on a note to a Non-U.S. Holder that is not effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States generally will not be subject to U.S. federal income tax or withholding tax, *provided* that:

- the Non-U.S. Holder does not, actually or constructively, own 10% or more of the total combined voting power of all classes of the voting stock of Genting Assets;
- the Non-U.S. Holder is not a controlled foreign corporation related to Genting Assets. through actual or constructive stock ownership; and
- either (1) the Non-U.S. Holder certifies in a statement provided to the applicable withholding agent under penalties of perjury that it is not a "United States person" (within the meaning of Section 7701(a)(30) of the Code) and provides its name and address; (2) a securities clearing organization, bank or other financial institution that holds customers' securities in the ordinary course of its trade or business and holds the note on behalf of the Non-U.S. Holder certifies to the applicable withholding agent under penalties of perjury that it, or the financial institution between it and the Non-U.S. Holder, has received from the Non-U.S. Holder a statement under penalties of perjury that such Non-U.S. Holder is not a United States person and provides a copy of such statement to the applicable withholding agent; or (3) the Non-U.S. Holder holds its note directly through a "qualified intermediary" (within the meaning of applicable Treasury Regulations) and certain conditions are satisfied.

If a Non-U.S. Holder does not satisfy the requirements above, interest paid to such Non-U.S. Holder generally will be subject to a 30% U.S. federal withholding tax unless such Non-U.S. Holder provides the applicable withholding agent with a properly executed (1) IRS Form W-8BEN or IRS

Form W-8BEN-E (or other applicable documentation) claiming a reduction in or exemption from withholding tax under the benefit of an applicable income tax treaty, or (2) IRS Form W-8ECI certifying that such interest is not subject to withholding because it is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States.

If interest paid to a Non-U.S. Holder is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States, then, unless an applicable income tax treaty provides otherwise, the Non-U.S. Holder will be exempt from the U.S. federal withholding tax described above (*provided* that the Non-U.S. Holder provides the appropriate certification, as described above). Any such interest generally will be subject to U.S. federal income tax at the regular graduated U.S. federal income tax rates as if the Non-U.S. Holder were a U.S. Holder, unless an applicable income tax treaty provides otherwise. In addition, a Non-U.S. holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits, as adjusted for certain items.

The certifications described above must be provided to the applicable withholding agent prior to the payment of interest and must be updated periodically. A Non-U.S. Holder may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS. Non-U.S. Holders should consult their tax advisors regarding their entitlement to benefits under any applicable income tax treaty.

#### ***Sale or Other Taxable Disposition***

A Non-U.S. Holder will not be subject to U.S. federal income tax or withholding tax on any gain recognized upon the sale, exchange, redemption, retirement or other taxable disposition of a note (other than amounts allocable to accrued and unpaid interest, which generally will be treated as interest and may be subject to the rules discussed above under “—Payments of Stated Interest”) unless:

- the gain is effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States; or
- the Non-U.S. Holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition and certain other requirements are met.

Gain of a Non-U.S. Holder described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular graduated rates, unless an applicable income tax treaty provides otherwise. A Non-U.S. Holder that is a corporation also may be subject to a branch profits tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty) on its effectively connected earnings and profits, as adjusted for certain items.

Gain of a Non-U.S. Holder described in the second bullet point above will be subject to U.S. federal income tax at a rate of 30% (or such lower rate specified by an applicable income tax treaty), and may be offset by certain U.S. source capital losses of the Non-U.S. Holder (even though the individual is not considered a resident of the United States), *provided* that the Non-U.S. Holder has timely filed U.S. federal income tax returns with respect to such losses.

Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

#### ***Information Reporting and Backup Withholding***

Payments of interest generally will not be subject to backup withholding, *provided* that the holder certifies its non-U.S. status as described above under “—Payments of Interest.” However, information returns are required to be filed with the IRS in connection with any interest paid to the Non-U.S. Holder, regardless of whether any tax was actually withheld. In addition, proceeds of the sale or other

taxable disposition of a note (including a retirement or redemption of the note) within the United States or conducted through certain financial intermediaries that are United States persons or have specified connections with the United States generally will not be subject to backup withholding or information reporting, if the applicable withholding agent receives the statement described above or the holder otherwise establishes an exemption. Proceeds of a disposition of a note paid outside the United States and conducted through a non-U.S. office of a non-U.S. broker without specified connections with the United States generally will not be subject to backup withholding or information reporting.

Copies of information returns that are filed with the IRS may also be made available under the provisions of an applicable treaty or agreement to the tax authorities of the country in which the Non-U.S. Holder resides or is established.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be allowed as a refund or a credit against a Non-U.S. Holder's U.S. federal income tax liability, *provided* that the required information is timely furnished to the IRS.

### **Additional Withholding Tax on Payments Made to Foreign Accounts**

Withholding taxes may be imposed under Sections 1471 to 1474 of the Code (commonly referred to as the Foreign Account Tax Compliance Act, or "FATCA") on certain types of payments made to non-U.S. financial institutions and certain other non-U.S. entities. Specifically, a 30% withholding tax may be imposed on payments of interest on a note paid to a "foreign financial institution" or a "non-financial foreign entity" (each as defined in the Code and whether acting as a beneficial owner or an intermediary), unless (1) the foreign financial institution undertakes certain diligence and reporting obligations, (2) the non-financial foreign entity either certifies it does not have any "substantial United States owners" (as defined in the Code) or furnishes identifying information regarding each substantial United States owner, or (3) the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from these rules. If the payee is a foreign financial institution and is subject to the diligence and reporting requirements in (1) above, it must enter into an agreement with the U.S. Department of the Treasury requiring, among other things, that it undertake to identify accounts held by certain "specified United States persons" or "United States owned foreign entities" (each as defined in the Code), annually report certain information about such accounts, and withhold 30% on certain payments to non-compliant foreign financial institutions and certain other account holders. Foreign financial institutions located in jurisdictions that have an intergovernmental agreement with the United States governing FATCA may be subject to different rules.

Prospective investors should consult their tax advisors regarding the potential application of withholding under FATCA to payments of interest on the notes.



## **CERTAIN ERISA CONSIDERATIONS**

The following is a summary of certain considerations associated with the purchase of the notes by employee benefit plans that are subject to Title I of ERISA, plans and arrangements that are subject to Section 4975 of the Code or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) or non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (“Similar Laws”), and entities whose underlying assets are considered to include “plan assets,” within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA), (as further described below) of any such plan, account or arrangement (each, a “Plan”).

### **General Fiduciary Matters**

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code or an entity whose underlying assets are considered to include “plan assets,” as described above (a “Benefit Plan”) and prohibit certain transactions involving the assets of a Benefit Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such a Benefit Plan or the management or disposition of the assets of such a Benefit Plan, or who renders investment advice for a fee or other compensation to such a Benefit Plan, is generally considered to be a fiduciary of the Benefit Plan.

In considering an investment in the notes of a portion of the assets of any Plan, a fiduciary should consult with its counsel in order to determine the suitability of the notes for such Plan, including whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law and the need for, and the availability, if necessary, of any exemptive relief under any such laws or regulations. In addition, a fiduciary of a Plan should consult with its counsel in order to determine if the investment satisfies the fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Each Benefit Plan, including individual retirement accounts and other arrangements that are subject to Section 4975 of the Code, should consider the fact that none of the Issuers, the guarantors or the initial purchasers or any of their respective affiliates (the “Transaction Parties”) is acting, or will act, as a fiduciary to any Benefit Plan with respect to the decision to purchase or hold the notes. The Transaction Parties are not undertaking to provide impartial investment advice or advice based on any particular investment need, or to give advice in a fiduciary capacity, with respect to the decision to purchase or hold the notes. All communications, correspondence and materials from the Transaction Parties with respect to the notes are intended to be general in nature and are not directed at any specific purchaser of the notes, and do not constitute advice regarding the advisability of investment in the notes for any specific purchaser. The decision to purchase and hold the notes must be made solely by each prospective Plan purchaser on an arm’s length basis.

### **Prohibited Transaction Issues**

Section 406 of ERISA and Section 4975 of the Code prohibit Benefit Plans from engaging in certain transactions involving plan assets with persons or entities who are “parties in interest,” within the meaning of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless a statutory or administrative exemption is applicable to the transaction. A party in interest or disqualified person who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and the Code. In addition, the fiduciary of the Benefit Plan that engaged in such a non-exempt prohibited transaction may be subject to penalties and

liabilities under ERISA and the Code. The acquisition and/or holding of notes by a Benefit Plan with respect to which a Transaction Party is considered a party in interest or disqualified person may constitute or result in a direct or indirect prohibited transaction under Section 406 of ERISA and/or Section 4975 of the Code, unless the investment is acquired and is held in accordance with an applicable statutory, class or individual prohibited transaction exemption. In this regard, certain exemptions from the prohibited transaction rules could be applicable to the purchase and holding of notes by a Plan, depending on the type and circumstances of the fiduciary making the decision to acquire such notes and the relationship of the party in interest or disqualified person to the Plan. Included among these exemptions are Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code for certain transactions between a Plan and non-fiduciary service providers to the Plan. In addition, the United States Department of Labor has issued prohibited transaction class exemptions (“PTCEs”) that may apply to the acquisition and holding of the notes. These class exemptions (as may be amended from time to time) include, without limitation, PTCE 84-14 (respecting transactions effected by independent “qualified professional asset managers”), PTCE 90-1 (respecting insurance company pooled separate accounts), PTCE 91-38 (respecting bank collective investment funds), PTCE 95-60 (respecting life insurance company general accounts) and PTCE 96-23 (respecting transactions directed by in-house asset managers).

Each of these PTCEs contains conditions and limitations on its application. Thus, the fiduciaries of a Plan that is considering acquiring and/or holding the notes in reliance of any of these, or any other, PTCEs should carefully review the conditions and limitations of the PTCE and consult with their counsel to confirm that it is applicable. There can be no, and we do not provide any, assurance that any PTCE or any other exemption will be available with respect to any particular transaction involving the notes.

Because of the foregoing, the notes should not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase and holding (i) are entitled to exemption relief from the prohibited transaction provisions of ERISA and the Code and are otherwise permissible under all applicable Similar Laws or (ii) would not otherwise constitute a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or any similar violation of applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive, nor should it be construed as legal advice. Due to the complexity of these rules and the excise taxes, penalties and liabilities that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering acquiring the notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the suitability of an acquisition of the notes in light of such prospective purchaser’s particular circumstances, potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investments and whether an exemption would be applicable to the purchase and holding of the notes. The sale of a note to a Plan is in no respect a representation by any Transaction Party or any of their respective affiliates or representatives that such an investment meets all relevant legal requirements with respect to investments by any such Plan or that such investment is appropriate for any such Plan.

## **Representation**

Accordingly, by acceptance of a note, or any interest therein, each purchaser and subsequent transferee will be deemed to have represented and warranted that (A) either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the note constitutes assets of any Plan; or (ii) (a) the purchase and holding of the notes or any interest therein by it will not constitute a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws, and (b) none of the Issuers, the initial purchasers or the guarantors or any other party to the transactions contemplated by this offering circular or any of their

respective affiliates is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the notes or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the notes, and (B) it will not sell or otherwise transfer such notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such note or any interest therein.

## NOTICE TO INVESTORS

*Because of the following restrictions, you are advised to consult legal counsel prior to making any offer, resale, pledge or other transfer of the notes offered hereby.*

Each purchaser of the notes offered hereby will be deemed to have represented and agreed as follows (terms used herein that are defined in Rule 144A (“Rule 144A”) or Regulation S (“Regulation S”) under the Securities Act are used herein as defined therein):

(1) You (A) (i) are a qualified institutional buyer (as defined in Rule 144A), (ii) are aware that the sale of the notes to you is being made in reliance on Rule 144A and (iii) are acquiring such notes for your own account or for the account of a qualified institutional buyer, as the case may be, or (B) are not a U.S. person, as such term is defined in Rule 902 under the Securities Act and are not purchasing the notes for the account or benefit of a U.S. person, and are purchasing the notes in an offshore transaction in accordance with Regulation S.

(2) You acknowledge that this offering circular relates to an offering that is exempt from registration under the Securities Act and may not comply in important respects with SEC rules that would apply to an offering document relating to a public offering of securities.

(3) You acknowledge that neither we, the guarantors, nor the initial purchasers, nor any of our or their representatives, nor any person acting on behalf of any of the foregoing have made any statement, representation or warranty, express or implied, to you with respect to us, the guarantors or the offering or sale of the notes, other than the information contained in this offering circular, which offering circular has been delivered to you and upon which you is relying in making your investment decision with respect to the notes. You have had access to such financial and other information concerning us and the notes as it has deemed necessary in connection with its decision to purchase any of the notes, including an opportunity to ask questions of, and request information from, us and such information has been made available to it.

(4) You are acquiring the notes for your own account, or for one or more investor accounts for which it is acting as a fiduciary or agent, in each case for investment and not with a view to, or for offer or sale in connection with, any distribution thereof in violation of the Securities Act or any state securities laws, subject to any requirement of law that the disposal of its property or the property of such investor account or accounts be at all times within its or their control and subject to its or their ability to resell such note pursuant to Rule 144A, Regulation S or any other exemption from registration available under the Securities Act.

(5) Each purchaser that is not a U.S. person and is acquiring the notes outside the U.S. in an offshore transaction in accordance with Regulation S acknowledges on its own behalf and on behalf of any investor account for which it is acquiring the notes, and each subsequent holder of such notes by its acceptance thereof will be deemed to acknowledge that, until the expiration of the applicable 40-day “distribution compliance period” as defined under Regulation S (the “Distribution Compliance Period”), it shall not make any offer or sale of the notes to a U.S. person or for the account or benefit of a U.S. person within the meaning of Rules 902 and 903 of the Securities Act, except in compliance with applicable securities laws. Such holder further acknowledges that the Regulation S notes will be represented upon issuance by a temporary global certificate that will not be exchangeable for definitive securities until the expiration of the Distribution Compliance Period and, for persons other than distributors, until certification of beneficial ownership of the Regulation S notes by a person who is not a U.S. person, or by a U.S. person who purchased securities in a transaction that did not require registration under the Securities Act, except in compliance with securities laws.

(6) Each purchaser agrees on its own behalf and on behalf of any investor account for which it is acquiring the notes, and each subsequent holder of such notes by its acceptance thereof will

be deemed to agree, to offer, sell or otherwise transfer such notes prior to, in the case of a holder that is not a U.S. person and is acquiring the notes outside the U.S. in an offshore transaction in accordance with Regulation S, the Distribution Compliance Period and, in the case of a holder that is a QIB, the date (the “Resale Restriction Termination Date”) that is one year (or such shorter period as is prescribed by Rule 144 under the Securities Act as then in effect or any successor rule without any volume or manner of sale restrictions or compliance by us with any current public information requirements thereunder) after the later of the closing of this offering and the last date on which we or any of our affiliates were the owner of such notes (or any predecessor thereto), only (i) to us, the guarantors or any subsidiary thereof; (ii) pursuant to a registration statement that has been declared effective under the Securities Act; (iii) for so long as the notes are eligible for resale under Rule 144A, to a person it reasonably believes is a QIB that purchases for its own account or for the account of a QIB to whom notice is given that the transfer is being made in reliance on Rule 144A; (iv) pursuant to offers and sales to persons who are not U.S. persons that occur outside the U.S. in compliance with Regulation S; or (v) pursuant to any other available exemption from the registration requirements of the Securities Act, subject in each of the foregoing cases to any requirement of law that the disposal of its property or the property of such investor account or accounts be at all times within its or their control and in compliance with any applicable state securities laws and any applicable local laws and regulations. In addition, we and the Trustee shall have the right prior to any offer, sale or transfer pursuant (A) to clause (iv) or (v) to require the delivery of an opinion of counsel, certification or other information satisfactory to each of them and (B) in each of the foregoing cases, to require that a certificate of transfer in the form appearing on the reverse of the notes or in the indenture is completed and delivered by the transferor to the Trustee. The foregoing restrictions on resale will not apply subsequent to the Resale Restriction Termination Date.

(7) You represent and agree that (A) either (i) no portion of the assets used by such purchaser or transferee to acquire or hold the note constitutes assets of any employee benefit plans that are subject to Title I of ERISA, plans and arrangements that are subject to Section 4975 of the Code or employee benefit plans that are governmental plans (as defined in Section 3(32) of ERISA) or non-U.S. plans (as described in Section 4(b)(4) of ERISA) or other plans that are not subject to the foregoing but may be subject to federal, state, local, non-U.S. or other laws, rules or regulations that are similar to such provisions of ERISA or the Code (“Similar Laws”), and entities whose underlying assets are considered to include “plan assets,” within the meaning of 29 C.F.R. Section 2510.3-101 (as modified by Section 3(42) of ERISA) of any such plan, account or arrangement (each, a “Plan”); or (ii) (a) the purchase and holding of the notes or any interest therein by it will not constitute a nonexempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or similar violation under any applicable Similar Laws, and (b) none of the Issuers, the initial purchasers or the guarantors or any other party to the transactions contemplated by this offering circular or any of their respective affiliates is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the notes or is undertaking to provide impartial investment advice or give advice in a fiduciary capacity with respect to the decision to purchase or hold the notes, and (B) it will not sell or otherwise transfer such notes or any interest therein otherwise than to a purchaser or transferee that is deemed to make these same representations, warranties and agreements with respect to its purchase and holding of such note or any interest therein.

(8) The notes will bear a legend to the following effect, unless the Issuers determine otherwise in compliance with applicable law:

**THE NOTES EVIDENCED HEREBY HAVE NOT BEEN REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”) AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED EXCEPT**

(A) (1) TO THE ISSUERS, (2) TO A PERSON WHO THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER WITHIN THE MEANING OF RULE 144A UNDER THE SECURITIES ACT PURCHASING FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF A QUALIFIED INSTITUTIONAL BUYER IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (3) IN AN OFFSHORE TRANSACTION COMPLYING WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT, (4) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE), (5) TO AN INSTITUTIONAL INVESTOR THAT IS AN ACCREDITED INVESTOR WITHIN THE MEANING OF RULE 501(a)(1), (2), (3) OR (7) OF REGULATION D UNDER THE SECURITIES ACT IN A TRANSACTION EXEMPT FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT OR (6) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT AND (B) IN ACCORDANCE WITH ALL APPLICABLE SECURITIES LAWS OF THE STATES OF THE UNITED STATES AND OTHER JURISDICTIONS. PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH CLAUSES (2), (3) OR (5) ABOVE, A DULY COMPLETED AND SIGNED CERTIFICATE (THE FORM OF WHICH MAY BE OBTAINED FROM THE TRUSTEE) MUST BE DELIVERED TO THE TRUSTEE. PRIOR TO THE REGISTRATION OF ANY TRANSFER IN ACCORDANCE WITH (4) ABOVE, THE ISSUERS RESERVE THE RIGHT TO REQUIRE THE DELIVERY OF SUCH LEGAL OPINIONS, CERTIFICATIONS OR OTHER EVIDENCE AS MAY REASONABLY BE REQUIRED IN ORDER TO DETERMINE THAT THE PROPOSED TRANSFER IS BEING MADE IN COMPLIANCE WITH THE SECURITIES ACT AND APPLICABLE STATE SECURITIES LAWS. NO REPRESENTATION IS MADE AS TO THE AVAILABILITY OF ANY RULE 144 EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT.

The notes will be available initially only in book-entry form. The notes will be issued in the form of one or more global notes bearing the legends set forth above.

## PLAN OF DISTRIBUTION

Citigroup Global Markets Inc., Barclays Bank PLC and J.P. Morgan Securities LLC are acting as joint global coordinators and Barclays Bank PLC, Citigroup Global Markets Inc., J.P. Morgan Securities LLC, BNP Paribas Securities Corp., DBS Bank Ltd., SMBC Nikko Securities America, Inc., KeyBanc Capital Markets Inc. and Fifth Third Securities, Inc. are acting as joint book-running managers of the offering. Citigroup Global Markets Inc. is acting as representative of the initial purchasers named below. Subject to the terms and conditions stated in the purchase agreement, dated the date of this offering circular, each initial purchaser named below has severally agreed to purchase, and we have agreed to sell to that initial purchaser, the principal amount of the notes set forth opposite the initial purchaser's name.

<u>Initial Purchaser</u>	<u>Principal Amount of Notes</u>
Citigroup Global Markets Inc. . . . .	\$ 180,000,000
Barclays Bank PLC . . . . .	\$ 150,000,000
J.P. Morgan Securities LLC . . . . .	\$ 150,000,000
BNP Paribas Securities Corp. . . . .	\$ 110,000,000
DBS Bank Ltd. . . . .	\$ 110,000,000
SMBC Nikko Securities America, Inc. . . . .	\$ 110,000,000
KeyBanc Capital Markets Inc. . . . .	\$ 75,000,000
Fifth Third Securities, Inc. . . . .	\$ 56,500,000
Oversea-Chinese Banking Corporation Limited . . . . .	\$ 38,500,000
Malayan Banking Berhad . . . . .	\$ 20,000,000
Total . . . . .	\$1,000,000,000

The purchase agreement provides that the obligations of the initial purchasers to purchase the notes are subject to approval of legal matters by counsel and to other conditions. The initial purchasers must purchase all the notes if they purchase any of the notes.

The initial purchasers propose to resell the notes at the offering price set forth on the cover page of this offering circular within the United States to qualified institutional buyers (as defined in Rule 144A) in reliance on Rule 144A and outside the United States in reliance on Regulation S. See “Notice to Investors.” The price at which the notes are offered may be changed at any time without notice. The initial purchasers may offer and sell the notes through certain of their affiliates.

The notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S) except in transactions exempt from, or not subject to, the registration requirements of the Securities Act. See “Notice to Investors.”

In addition, until 40 days after the commencement of this offering, an offer or sale of notes within the United States by a dealer that is not participating in this offering may violate the registration requirements of the Securities Act if that offer or sale is made otherwise than in accordance with Rule 144A.

The notes will constitute a new class of securities with no established trading market. However, we cannot assure you that the prices at which the notes will sell in the market after this offering will not be lower than the initial offering price or that an active trading market for the notes will develop and continue after this offering. The initial purchasers have advised us that they currently intend to make a market in the notes. However, they are not obligated to do so and they may discontinue any market-making activities with respect to the notes at any time without notice. Accordingly, we cannot assure you as to the liquidity of, or the trading market for, the notes.

In connection with the offering, the initial purchasers may purchase and sell notes in the open market. Purchases and sales in the open market may include short sales, purchases to cover short positions and stabilizing purchases.

- Short sales involve secondary market sales by the initial purchasers of a greater number of notes than they are required to purchase in the offering.
- Covering transactions involve purchases of notes in the open market after the distribution has been completed in order to cover short positions.
- Stabilizing transactions involve bids to purchase notes so long as the stabilizing bids do not exceed a specified maximum.

Purchases to cover short positions and stabilizing purchases, as well as other purchases by the initial purchasers for their own accounts, may have the effect of preventing or retarding a decline in the market price of the notes. They may also cause the price of the notes to be higher than the price that would otherwise exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time.

We expect to deliver the notes against payment for the notes on or about the date specified in the last paragraph of the cover page of this offering circular, which will be the tenth business day following the date of the pricing of the notes. Under Rule 15c6-1 of the Exchange Act, trades in the secondary market generally settle in two business days. Accordingly, purchasers who wish to trade notes on the date of pricing or the next succeeding seven business days will be required, by virtue of the fact that the notes initially will settle in T+ 10, to specify alternative settlement arrangements to prevent a failed settlement. Purchasers of the notes who wish to trade the notes prior to their date of delivery hereunder should consult their own advisors.

The initial purchasers are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The initial purchasers and their respective affiliates may, from time to time, engage in transactions with and perform services for us in the ordinary course of their business for which they may receive customary fees and reimbursement of expenses. In the ordinary course of their various business activities, the initial purchasers and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. In addition, certain of the initial purchasers or their respective affiliates are acting as the lead arrangers in connection with, and certain of the initial purchasers or their respective affiliates will be the lenders and/or agents under, the Senior Secured Credit Facilities. Certain of the initial purchasers or their affiliates that have a lending relationship with us routinely hedge, and certain other of the initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. A typical such hedging strategy would include these initial purchasers or their affiliates hedging such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the notes offered hereby. Any such credit default swaps or short positions could adversely affect future trading prices of the notes. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.



We have agreed to indemnify the initial purchasers against certain liabilities, including liabilities under the Securities Act, or to contribute to payments that the initial purchasers may be required to make because of any of those liabilities.

#### **Notice to Prospective Investors in the European Economic Area**

The notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (“EEA”). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, “MiFID II”); or (ii) a customer within the meaning of Directive 2002/92/EC, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the “Prospectus Directive”). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the “PRIIPs Regulation”) for offering or selling the notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This offering circular has been prepared on the basis that any offer of notes in any Member State of the EEA will be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of notes. This offering circular is not a prospectus for the purposes of the Prospectus Directive.

Solely for the purposes of each manufacturer’s product approval process, the target market assessment in respect of the notes has led to the conclusion that: (i) the target market for the notes is eligible counterparties and professional clients only, each as defined in MiFID II; and (ii) all channels for distribution of the notes to eligible counterparties and professional clients are appropriate. Any person subsequently offering, selling or recommending the notes (a “distributor”) should take into consideration the manufacturers’ target market assessment; however, a distributor subject to MiFID II is responsible for undertaking its own target market assessment in respect of the notes (by either adopting or refining the manufacturers’ target market assessment) and determining appropriate distribution channels.

#### **Notice to Prospective Investors in the United Kingdom**

Each initial purchaser has agreed that:

(a) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the Financial Services and Markets Act 2000 (“FSMA”)) received by it in connection with the issue or sale of the notes in circumstances in which Section 21(1) of the FSMA does not apply to the Issuer or the guarantors; and

(b) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to the notes in, from or otherwise involving the United Kingdom.

#### **Notice to Prospective Investors in France**

This offering circular has not been prepared in the context of a public offering of financial securities in France within the meaning of Article L.411-1 of the French *Code monétaire et financier* and Title I of Book II of the *Règlement Général of the Autorité des marchés financiers* (the “AMF”) and therefore has not been and will not be submitted for clearance to the AMF. Consequently, the notes are not being offered, directly or indirectly, to the public in France and this offering circular has not been and will not be released, issued or distributed or caused to be released, issued or distributed to

the public in France. Offers, sales and distributions of the notes in France will be made only to qualified investors (*investisseurs qualifiés*) acting for their own accounts or to a closed circle of investors (*cercle restreint d'investisseurs*) acting for their own accounts or to providers of the investment service of portfolio management for the account of third parties (*personnes fournissant le service d'investissement de gestion de portefeuille pour le compte de tiers*) as defined in, and in accordance with, Articles L.411-2 and D.411-1 to D.411-4, D.744-1, D.754-1 and D.764-1 of the French *Code monétaire et financier*. The notes may only be offered, directly or indirectly, to the public in France, in compliance with Articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

#### **Notice to Prospective Investors in Hong Kong**

The notes have not and will not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32, Laws of Hong Kong) (the “C(WUMP)O”), or (ii) to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the C(WUMP)O and no advertisement, invitation or document relating to the notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

#### **Notice to Prospective Investors in Japan**

The notes offered in this offering circular have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (Act No. 25 of 1948) (as amended) (the “FIEL”). The notes have not been offered or sold and will not be offered or sold, directly or indirectly, in Japan or to or for the account of any resident of Japan (including any corporation or other entity organized under the laws of Japan), except (i) pursuant to an exemption from the registration requirements of the FIEL and (ii) in compliance with the FIEL and any other applicable provisions of Japanese laws and regulations.

#### **Notice to Prospective Investors in Singapore**

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this offering circular and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the notes may not be circulated or distributed, nor may any notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined in the Securities and Futures Act, Chapter 289 of Singapore (the “SFA”)) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

- a corporation (which is not an accredited investor (as defined in the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or
- a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

the securities or securities-based derivatives contracts (each as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the notes pursuant to an offer made under Section 275 of the SFA except:

- to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;
- where no consideration is or will be given for the transfer;
- where the transfer is by operation of law;
- as specified in Section 276(7) of the SFA; or
- as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulation 2018 of Singapore.

Any reference to any term as defined in the SFA, or any provision in the SFA is a reference to that term as modified or amended from time to time including by such of its subsidiary legislation as may be applicable at the relevant time.

#### **Notice to Prospective Investors in Isle of Man**

The notes offered in this offering circular have not been and will not be made the subject of any invitation: (i) directly or indirectly to the public in the Isle of Man to subscribe for any notes; and (ii) to subscribe for the notes from a permanent place of business in the Isle of Man or hold itself out as "carrying on" a business in the Isle of Man within the meaning of the Isle of Man Financial Services Act 2008 (as amended from time to time) unless there is the appropriate license to do so.

#### **Notice to Prospective Investors in Malaysia**

This offering circular acknowledges that no lodgment of the relevant documents with the Securities Commission Malaysia ("SC") has been or will be made and no approval from the SC under the Capital Markets and Services Act 2007 of Malaysia ("CMSA") has been or will be obtained and this offering circular has not been nor will it be registered with the SC as a prospectus under the CMSA for the offering or issuance of the notes on the basis that the notes will be offered or sold exclusively to persons outside Malaysia. Accordingly, any notes may not be offered or sold or such notes may not be made the subject of an invitation for subscription or purchase nor will this offering circular offer or sell such notes or cause such notes to be made the subject of an invitation for subscription or purchase, nor has this offering circular been circulated or distributed, nor will this offering circular or any other document or material in connection with the offer or sale be circulated or distributed, or invitation for subscription or purchase, of the notes, whether directly or indirectly, to any person in Malaysia.

#### **Notice to Prospective Investors in Cayman Islands**

No offer or invitation may be made to the public in the Cayman Islands to subscribe for the notes. The notes have not been and will not be offered or sold in the Cayman Islands.

#### **Notice to Prospective Investors in British Virgin Islands**

No invitation will be made directly or indirectly to any person resident in the British Virgin Islands to subscribe for any of the notes.

## **LEGAL MATTERS**

The validity of the notes offered hereby will be passed upon for us by Latham & Watkins LLP, New York, New York. Certain legal matters in connection with the offering of the notes will be passed upon for the initial purchasers by Cahill Gordon & Reindel LLP, New York, New York. Certain matters of Isle of Man law, Malaysian law and English law will be passed upon for us by Cains Advocates Limited, Zul Rafique & Partners and Latham & Watkins LLP, respectively. Certain matters of Malaysian law will be passed upon for the initial purchasers by Adnan Sundra & Low.

## **INDEPENDENT AUDITORS**

The financial statements of Resorts World Las Vegas LLC as of December 31, 2018 and 2017 and for the years then ended, included in this offering circular, have been audited by PricewaterhouseCoopers LLP, independent accountants, as stated in their report appearing herein.

The consolidated financial statements of Genting Berhad as of and for the years ended December 31, 2016, 2017 and 2018, included in this offering circular, have been audited by PricewaterhouseCoopers PLT, chartered accountants, as stated in their report appearing herein. PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146) was registered on January 2, 2018 and with effect from that date, PricewaterhouseCoopers (AF1146), a conventional partnership was converted into a limited liability partnership.

The consolidated financial statements of Genting Overseas Holdings Limited as of and for the years ended December 31, 2016, 2017 and 2018, included in this offering circular, have been audited by PricewaterhouseCoopers LLC, Isle of Man, chartered accountants, as stated in their report appearing herein.

The auditors' reports on the consolidated financial statements of Genting Berhad and Genting Overseas Holdings Limited as of December 31, 2016, 2017 and 2018 were prepared under the corresponding figures approach set out in approved auditing standards in Malaysia and International Standard on Auditing 710 "Comparative Information—Corresponding Figures and Comparative Financial Statements." Under corresponding figure approach, the auditors' opinion on the financial statements refers to the current period only. Comparative information in each year of consolidated financial statements are intended to be read only in relation to the amounts and other disclosures related to the current period.

## **SUMMARY OF CERTAIN SIGNIFICANT DIFFERENCES BETWEEN FRS AND IFRS**

The consolidated financial statements of the Genting Group for the financial years ended December 31, 2016 and 2017 have been prepared in accordance with FRS, which differ in certain significant respects from IFRS.

On November 19, 2011, the MASB issued a new MASB approved accounting framework, the MFRS. This IFRS-compliant framework applies to all Transitioning Entities.

On September 8, 2015, MASB announced that in light of the International Accounting Standards Board's deferral of IFRS 15 "Revenue from Contracts on Customers," the effective date for the Transitioning Entities to apply the MFRS framework would also be deferred to January 1, 2018.

The Genting Group falls within the scope definition of Transitioning Entities and accordingly, adopted the MFRS Framework from the financial year beginning January 1, 2018.

This summary should not be construed to be exhaustive and the matters described below should not be expected to reveal all differences between FRS and IFRS that are relevant to the Genting Group or the industries in which it operates. The Genting Group's management has made no attempt to quantify the impact of the differences between FRS and IFRS nor has any attempt been made to

identify all disclosures, presentation or classification differences that would affect the manner in which transactions or events are presented in the financial information. Accordingly, it should not be construed that the following summary of certain differences between FRS and IFRS is complete.

Prospective investors should consult their own professional advisers for an understanding of the differences between FRS and IFRS and how those differences might affect the financial information contained herein.

The following is a summary of significant differences between FRS and IFRS as applicable to the Genting Group.

## **1. Agriculture—Plantation development**

Under the FRS framework, prior to January 1, 2017, the Genting Group adopts the capital maintenance method on its bearer plants (i.e. oil palm trees) where all new planting expenditure incurred from stage of land clearing up to the stage of maturity was capitalized and not depreciated. Replanting expenditure is charged to profit or loss in the financial year in which the expenditure incurred.

Under the IFRS framework, IAS 41: Agriculture (“IAS 41”) requires biological assets (defined as a living animal or plant) to be measured at fair value less costs to sell unless it is not possible to measure fair value reliably, in which case, biological assets are then measured at cost. Gains and losses arising from changes in fair value less costs to sell of biological assets are recognized in the profit or loss. Agricultural produce harvested from biological assets are measured at fair value less costs to sell at point of harvest.

Effective from January 1, 2016, there are amendments made to IAS 16 “Property, plant and equipment” and IAS 41 on accounting on bearer plants. The amendments are to be applied retrospectively and introduce a new category of biological asset, i.e. bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has remote likelihood of being sold as agricultural produce (except for incidental scrap sales).

Bearer plants are seen as similar to an item of machinery in a manufacturing plant, and therefore are treated the same way under IAS 16. Therefore, bearer plants are measured either at cost or revalued amounts, less accumulated depreciation and impairment losses. Before reaching maturity, bearer plants are measured at accumulated costs, similar to accounting for a self-constructed item of property, plant and equipment.

Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under IAS 41, with fair value changes recognized in profit or loss as the produce grows.

During the year ended December 31, 2017, the Genting Group changed its accounting policy on bearer plants to be aligned with the underlying principles of amendments made to IAS 16 and IAS 41. The change in accounting policy is described in the consolidated financial statements of the Genting Group as of December 31, 2017. See “Selected Historical Financial and Operating Data—The Genting Group.”

## **2. Property development activities**

### ***(i) Revenue recognition for property under development***

Under the FRS framework, in accordance with FRS 201 “Property Development Activities,” when the financial outcome of a development activity can be reliably estimated, property development revenue and expenses are recognized using the percentage of completion method. When the outcome of a development activity cannot be reliably estimated, property development revenue is recognized

only to the extent of property development costs incurred that is probable of recovery, and property development costs on the development units sold are recognized as an expense when incurred. Foreseeable losses, if any, arising when it is probable that total property development costs (including expected defect liability expenditure) will exceed total property development revenue, are recognized immediately in the profit or loss.

Under the IFRS framework, in accordance with IFRS 15 “Revenue from Contracts with Customers,” revenue is recognized when control of the real estate is transferred to the customer. Depending on the contractual terms, the control of the asset may be transferred to the customer at a point in time or over time as construction progresses. If control of the asset transfers over time, revenue is recognized over the period of the contract by reference made to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognized at a point in time when the customer obtains control of the asset.

***(ii) Land held for property development***

Under the FRS framework, land held for future development are stated at cost less impairment unless it has been previously recorded at revalued amounts, in which case, these amounts can be retained as surrogate costs. Under the IFRS framework, land held for future development are to be stated at the lower of cost and net realizable value.

**WHERE YOU CAN FIND MORE INFORMATION**

Each purchaser of the notes from any initial purchaser will be furnished with a copy of this offering circular and any related amendments or supplements to this offering circular. Each person receiving this offering circular acknowledges that:

(a) such person has been afforded an opportunity to request from us, and to review and has received, all additional information considered by it to be necessary to verify the accuracy and completeness of the information herein;

(b) such person has not relied on the initial purchasers or any person affiliated with an initial purchaser in connection with its investigation of the accuracy of such information or its investment decision; and

(c) except as provided pursuant to (a) above, no person has been authorized to give any information or to make any representation concerning the notes offered hereby other than those contained herein, and, if given or made, such other information or representation should not be relied upon as having been authorized by us or the initial purchasers.

We are not currently subject to the periodic reporting requirements and other informational requirements of the Exchange Act. While any notes remain outstanding, we will make available, upon request, to any beneficial owner and any prospective purchaser of notes the information required pursuant to Rule 144A(d)(4) under the Securities Act in order to permit compliance with Rule 144A in connection with any resale of notes. Any such request should be addressed to us at 3000 South Las Vegas Boulevard, Las Vegas, Nevada 89109, Attn: Gerald Gardner.

This offering circular contains summaries of certain agreements that we have entered into or will enter into in connection with this offering. The descriptions of these agreements contained in this offering circular do not purport to be complete and are subject to, and qualified in their entirety by reference to, the full text of the definitive agreements. Copies of these agreements will be made available to you without charge upon written request to us at the address set forth above.

We maintain an internet site at <https://rwlasvegas.com/>. Our website and the information contained on, or accessible through, that site, are not incorporated into and do not form a part of this offering circular.

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**Resorts World Las Vegas LLC**  
**Financial Statements**  
**As of December 31, 2018 and 2017 and for the years then ended**

**Resorts World Las Vegas LLC**  
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**December 31, 2018 and 2017**

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## Report of Independent Auditors

To the Management of Resorts World Las Vegas LLC:

We have audited the accompanying financial statements of Resorts World Las Vegas LLC, which comprise the balance sheets as of December 31, 2018 and 2017, and the related statements of operations, changes in member's equity and cash flows for the years then ended.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### *Auditors' Responsibility*

Our responsibility is to express an opinion on the financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Resorts World Las Vegas LLC as of December 31, 2018 and 2017, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### *Emphasis of Matter*

As discussed in Note 1 to the financial statements, the Company has received a commitment from Genting Berhad and its subsidiaries not to demand repayment of \$1,053,264,251 due to parent company through February 28, 2020 and to fund any operational losses of the Company incurred through February 28, 2020 to the extent necessary. Our opinion is not modified with respect to this matter.

*PricewaterhouseCoopers LLP*

Las Vegas, Nevada  
February 27, 2019

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**Resorts World Las Vegas LLC**  
**Balance Sheets**  
**December 31, 2018 and 2017**

	<b>December 31,</b>	
	<b>2018</b>	<b>2017</b>
<b>Assets</b>		
Current assets		
Cash and cash equivalents . . . . .	\$ 704,309	\$ 241,567
Restricted cash, current portion . . . . .	889,876	1,000,000
Prepaid and other current assets . . . . .	5,264,077	4,252,637
Due from related parties (Note 4) . . . . .	—	9,004
Total current assets . . . . .	6,858,262	5,503,208
Restricted cash, less current portion . . . . .	15,691,482	3,113,005
Property and equipment, net (Note 3) . . . . .	1,056,837,461	536,286,748
Total assets . . . . .	\$1,079,387,205	\$544,902,961
<b>Liabilities and Member's Equity</b>		
Current liabilities		
Construction payables . . . . .	\$ 72,489,566	\$ 22,002,576
Trade and other payables . . . . .	3,511,530	695,926
Due to related parties (Note 4) . . . . .	292,115	—
Total current liabilities . . . . .	76,293,211	22,698,502
Due to parent (Note 4) . . . . .	1,053,264,251	560,380,678
Total liabilities . . . . .	1,129,557,462	583,079,180
Commitments and contingencies (Note 6)		
<b>Member's equity</b>		
Member's contribution . . . . .	10	10
Accumulated deficit . . . . .	(50,170,267)	(38,176,229)
Total member's equity . . . . .	(50,170,257)	(38,176,219)
Total liabilities and member's equity . . . . .	\$1,079,387,205	\$544,902,961

The accompanying notes are an integral part of these financial statements

**Resorts World Las Vegas LLC**  
**Statements of Operations**  
**Years Ended December 31, 2018 and 2017**

	<b>2018</b>	<b>2017</b>
<b>Operating expenses</b>		
Other operating expenses . . . . .	\$(12,147,573)	\$(10,447,022)
Total operating expenses . . . . .	(12,147,573)	(10,447,022)
Total operating loss . . . . .	(12,147,573)	(10,447,022)
<b>Nonoperating income (expense)</b>		
Interest and other income . . . . .	153,535	61,381
Total nonoperating income . . . . .	153,535	61,381
Net loss . . . . .	\$(11,994,038)	\$(10,385,641)

The accompanying notes are an integral part of these financial statements

**Resorts World Las Vegas LLC**  
**Statements of Changes in Member's Equity**  
**Years Ended December 31, 2018 and 2017**

	<u>Member's Contribution</u>	<u>Accumulated Deficit</u>	<u>Member's Equity</u>
<b>Balances on December 31, 2016</b> .....	\$10	\$(27,790,588)	\$(27,790,578)
Net loss .....	—	(10,385,641)	(10,385,641)
<b>Balances on December 31, 2017</b> .....	10	(38,176,229)	(38,176,219)
Net loss .....	—	(11,994,038)	(11,994,038)
<b>Balances on December 31, 2018</b> .....	<u>\$10</u>	<u>\$(50,170,267)</u>	<u>\$(50,170,257)</u>

The accompanying notes are an integral part of these financial statements

**Resorts World Las Vegas LLC**  
**Statements of Cash Flows**  
**Years Ended December 31, 2018 and 2017**

	2018	2017
<b>Cash flows from operating activities</b>		
Net loss . . . . .	\$ (11,994,038)	\$(10,385,641)
Adjustments to reconcile net loss to net cash used in operating activities		
Depreciation . . . . .	170,069	224,306
Changes in operating assets and liabilities		
Prepaid and other current assets . . . . .	(981,637)	(77,574)
Due from related parties . . . . .	9,004	(9,004)
Trade and other payables . . . . .	677,989	52,754
Due to related parties . . . . .	292,115	(179,724)
Net cash used in operating activities . . . . .	(11,826,498)	(10,374,883)
<b>Cash flows from investing activities</b>		
Change in restricted cash . . . . .	(12,468,353)	(3,346,900)
Change in construction deposits . . . . .	(626,550)	(1,181,849)
Purchases of property and equipment, net of construction payables . . . .	(467,499,430)	(65,424,560)
Net cash used in investing activities . . . . .	(480,594,333)	(69,953,309)
<b>Cash flows from financing activities</b>		
Change in due to parent . . . . .	492,883,573	80,569,759
Net cash provided by financing activities . . . . .	492,883,573	80,569,759
Net change in cash and cash equivalents during the year . . . . .	462,742	241,567
<b>Cash and cash equivalents</b>		
Beginning of year . . . . .	241,567	—
End of year . . . . .	\$ 704,309	\$ 241,567
<b>Supplemental disclosure noncash investing and financing activities</b>		
Fixed asset expenditures included in construction payables . . . . .	\$ 72,489,566	\$ 22,002,576
Construction deposits amortized to property and equipment . . . . .	2,734,363	—

The accompanying notes are an integral part of these financial statements

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements**  
**December 31, 2018 and 2017**

**1. Business and Basis of Presentation**

Genting Berhad is a public company incorporated and domiciled in Malaysia, and is listed on the Main Market of the Bursa Malaysia Securities Berhad. Genting Berhad is principally an investment holding and management company. The principal activities of Genting Berhad include leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resorts, plantations, the generation and supply of electric power, property development and management, tour and travel related services, investments, life sciences and biotechnology activities and oil and gas exploration, development and production activities. Genting Assets Inc. is the sole member of RWLV, LLC, which is the sole member of Resorts World Las Vegas LLC (“RWLV” or the “Company”). Genting Assets Inc. is an indirect wholly-owned subsidiary of Genting Berhad.

RWLV was formed on February 26, 2013. RWLV purchased a parcel of land on the Las Vegas strip and certain structures and fixtures on the site in March 2013 for approximately \$350 million, on which it is developing an Asian-themed integrated destination resort (the “Project”). The resort will include a hotel and gaming space, as well as retail, dining, nightlife venues, entertainment options and convention space and is expected to open in 2020.

The Company’s activities are subject to significant risks and uncertainties, including failing to secure additional funding to construct the Company’s planned development.

The Company currently has a shareholder’s deficit and negative working capital, and has experienced negative operating cash flow for its period in operation. The Company is unable to meet its obligations as they become due. To date, the Company has funded its losses principally through funding provided by Genting Berhad and its subsidiaries. Genting Berhad and its subsidiaries have committed not to demand repayment of \$1,053,264,251 due to parent through at least February 28, 2020 and to fund any operational losses of the Company incurred through February 28, 2020 to the extent necessary. To the extent that Genting Berhad is unable or unwilling to fund the Company beyond this date, the Company would need to find additional funding. There is no guarantee the Company would be able to do so.

**2. Summary of Significant Accounting Policies**

**Accounting Estimates**

The preparation of financial statements in accordance with generally accepted accounting principles in the United States of America (“US GAAP”) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, and related disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**Cash and Cash Equivalents**

The Company classifies deposits that can be redeemed on demand and investments with an original maturity of three months or less when purchased as cash and cash equivalents. Cash equivalents are carried at cost, which approximates market value. For financial reporting purposes, cash and cash equivalents include all operating cash. The Company held cash and cash equivalents of \$704,309 and \$241,567 at December 31, 2018 and 2017, respectively. As of December 31, 2018 and 2017, the Company had restricted cash of \$16,581,358 and \$4,113,005, respectively. The restricted cash



**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**2. Summary of Significant Accounting Policies (Continued)**

is related to cash collateral for the construction bonds, which are denominated in USD, cash held in escrow by Clark County for building permits and cash supporting a letter of credit issued as security for the Company's obligations. In addition, in October of 2018, the Company entered into a decommissioning agreement (the "Agreement") with Clark County, Nevada (the "County") to address how the Project would be decommissioned in the event construction is abandoned (the "Plan"). The agreement requires the Company to execute a surety and performance bond or other acceptable security or financial guarantee in favor of the County, securing to the County the full and complete implementation of the actions identified in the Plan. As an alternative to a surety and performance bond, the Company made a cash deposit that is equal in amount to the surety and performance bond which would otherwise be required, in an escrow deposit account. In October of 2018, the Company made this escrow deposit in the amount of \$10,347,750. The escrow deposit is recorded as restricted cash in the Company's balance sheet.

**Property and Equipment**

Property and equipment are stated at cost, less accumulated depreciation. Depreciation is recorded over the estimated useful lives of the assets, other than land, on a straight-line basis. Leasehold improvements are amortized over the shorter of the lease terms or the estimated useful lives of the improvements. Estimated useful lives by asset categories are as follows:

Building and land improvements .....	30 years
Furniture fixtures and equipment .....	2 - 10 years

The costs of significant improvements are capitalized. Costs of normal repairs and maintenance are expensed as incurred. Gains or losses on disposition of property and equipment are included in the determination of net income.

The Company's property and equipment are assessed for impairment whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. If it is determined that the carrying amounts may not be recoverable based on current and future levels of income and expected future cash flows, as well as other factors, an impairment loss will be recognized at such time. As of December 31, 2018 and 2017, the Company assessed its property and equipment for impairment and determined that no impairment existed.

**Fair Value of Financial Instruments**

The Company has adopted fair value provisions in accordance with authoritative guidance issued by the Financial Accounting Standards Board ("FASB") pertaining to financial assets and liabilities. The guidance clarifies how companies are required to use a fair value measure for recognition and disclosure by establishing a common definition of fair value, a framework for measuring fair value and

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**2. Summary of Significant Accounting Policies (Continued)**

expanded disclosures about fair value measurements. The Company applies the following fair value hierarchy, which prioritizes the inputs used to measure fair value into three levels:

- Level 1 Quoted prices for identical assets or liabilities in active markets;
- Level 2 Quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets or valuations based on models where the significant inputs are observable or can be corroborated by observable market data; and
- Level 3 Valuations based on models where the significant inputs are not observable. The unobservable inputs reflect the Company's estimates or assumptions that market participants would use in pricing the asset or liability.

The Company's assessment of the significance of a particular input to the fair value measurement requires judgment, and may affect the valuation of financial assets and liabilities and their placement within the fair value hierarchy.

The carrying amount of the Company's financial assets and liabilities, which include construction payables approximate fair value as of December 31, 2018 and 2017, due to the short-term nature of these instruments.

**Revenue Recognition**

The Company has not begun operations and accordingly has not yet recognized revenue.

**Income Taxes**

RWLV is a single member LLC and has elected to present a tax provision in these separate financial statements. Accordingly, we apply the asset and liability approach to financial accounting and reporting for income taxes. RWLV is included in the consolidated federal return filed for Genting Assets, Inc. The Company has elected to record taxes as if they had been calculated on a separate company basis. Deferred income tax assets and liabilities are computed for differences between the financial statements and tax bases of assets and liabilities that will result in future taxable or deductible amounts, based on enacted tax laws and rates for the periods in which the differences are expected to affect taxable income. Valuation allowances are established, when necessary, to reduce deferred tax assets to the amount expected to be realized.

The Company has adopted authoritative guidance within Accounting Standards Codification ("ASC") 740 which clarified the accounting for uncertainty in income taxes recognized in the financial statements. The Company accounts for uncertain income tax positions using a benefit recognition model with a two-step approach, a more-likely-than-not recognition criterion and a measurement attribute that measures the position as the largest amount of tax benefit that is greater than 50% likely of being ultimately realized upon ultimate settlement in accordance with ASC 740. If it is not more likely than not that the benefit will be sustained on its technical merits, no benefit will be recorded. Uncertain tax positions that relate only to timing of when an item is included on a tax return are

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**2. Summary of Significant Accounting Policies (Continued)**

considered to have met the recognition threshold. For the years ended December 31, 2018 and 2017, the Company has not recorded any provisions related to uncertain tax positions.

**Comprehensive Income**

There are no comprehensive income items other than net income. Comprehensive income equals net income for all periods presented.

**New Accounting Standards**

*Revenue*

In May 2014, the FASB issued ASU No. 2014-09, “Revenue from Contracts with Customers” (Topic 606). This ASU provides guidance for revenue recognition and affects any entity that either enters into contracts with customers to transfer goods or services or enters into contracts for the transfer of nonfinancial assets and supersedes the revenue recognition requirements in Topic 605, “Revenue Recognition,” and most industry specific guidance. The standard’s core principle is the recognition of revenue when a company transfers promised goods or services to customers in an amount that reflects the consideration to which the company expects to be entitled in exchange for those goods or services. In doing so, companies will need to use more judgment and make more estimates than under the current guidance. These may include identifying performance obligations in the contract, estimating the amount of variable consideration to include in the transaction price and allocating the transaction price to each separate performance obligation. In August 2015, the FASB issued ASU 2015-14, “Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date”, which deferred the effective date of ASU 2014-09 to the fiscal year beginning after December 15, 2018. Early adoption is permitted for the fiscal year beginning after December 15, 2017. The FASB has since issued several accounting standards updates to further clarify this guidance including: (1) principal versus agent considerations, (2) identifying performance obligations and licensing, (3) narrow-scope improvements and practical expedients and (4) technical corrections and improvements. The Company will adopt this standard in our annual period ended December 31, 2019 and the impact is not expected to be material.

*Leases*

In February, 2016, the FASB issued ASU No. 2016-02, an accounting standard update to lease accounting. Lessees will need to recognize a right-of-use asset and a lease liability for virtually all of their leases (other than leases that meet the definition of a short-term lease). The liability will be equal to the present value of lease payments. The asset will be based on the liability, subject to adjustment, such as for initial direct costs. For income statement purposes, the FASB retained a dual model, requiring leases to be classified as either operating or finance. Operating leases will result in straight-line expense (similar to current operating leases) while finance leases will result in a front-loaded expense pattern (similar to current capital leases). Classification will be based on criteria that are largely similar to those applied in current lease accounting, but without explicit bright lines. This guidance will be required for annual reporting periods ending after December 15, 2019, with early adoption permitted. The Company will early adopt this standard in our annual period ended December 31, 2019, consistent with Genting Berhad, and the impact is not expected to be material.

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**2. Summary of Significant Accounting Policies (Continued)**

*Cash Flows*

In August 2016, the FASB issued ASU 2016-15, an accounting standards update which clarifies the treatment of several cash flow categories in an attempt to reduce the current diversity in practice. The update also clarifies that when cash receipts and cash payments have aspects of more than one class of cash flows and cannot be separated, classification will depend on the predominant source or use. This guidance will be required to be applied on a retrospective basis and will be effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact that this guidance will have on its financial statements and disclosures.

*Restricted Cash*

In November 2016, the FASB issued ASU 2016-18, an accounting standards update which clarifies the classification and presentation of restricted cash in the statement of cash flows. The update requires that a statement of cash flows explain the change during the period in the total of cash, cash equivalents and amounts generally described as restricted cash or restricted cash equivalents. This guidance will be required to be applied on a retrospective basis and will be effective for annual reporting periods beginning after December 15, 2018, with early adoption permitted. The Company is currently evaluating the impact that this guidance will have on its financial statements and disclosures.

**3. Property and Equipment**

Property and equipment at December 31, 2018 and 2017 consists of:

	2018	2017
Land . . . . .	\$ 179,380,385	\$179,380,385
Land improvements . . . . .	455,705	434,946
Improvements . . . . .	173,989,349	173,989,349
Furniture, fixtures and equipment . . . . .	698,287	582,912
Assets under construction . . . . .	702,859,972	182,275,324
	1,057,383,698	536,662,916
Less: Accumulated depreciation . . . . .	(546,237)	(376,168)
	\$1,056,837,461	\$536,286,748

Assets under construction are related to the development of the property on the Las Vegas Strip.

**4. Related Party Transactions**

RWLV entered into transactions with affiliated companies for various operating support services and transaction related costs. There is no note payable agreement governing the advances. The

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**4. Related Party Transactions (Continued)**

advances are noninterest bearing. Refer to Note 1 for further discussion on the Due to Genting Assets Inc. Amounts due to affiliated companies are as follows:

	<u>2018</u>	<u>2017</u>
Due to Genting Assets Inc. . . . .	\$(1,053,264,251)	\$(560,380,678)
Due to parent . . . . .	<u>\$(1,053,264,251)</u>	<u>\$(560,380,678)</u>
Due from (to) Genting New York LLC . . . . .	\$ (292,115)	\$ 9,004
Due from (to) related parties . . . . .	<u>\$ (292,115)</u>	<u>\$ 9,004</u>

**5. Income Taxes**

The provision (benefit) for income taxes for the years ended December 31, 2018 and 2017 consisted of the following:

	<u>2018</u>	<u>2017</u>
<b>Deferred</b>		
Federal . . . . .	\$(2,489,096)	\$(1,527,356)
Valuation allowance . . . . .	<u>2,489,096</u>	<u>1,527,356</u>
Total deferred provision . . . . .	<u>—</u>	<u>—</u>
Total provision (benefit) . . . . .	<u>\$ —</u>	<u>\$ —</u>

On December 22, 2017, the United States President signed tax reform legislation known as the “Tax Cuts and Jobs Act” (the “Act”), which resulted in significant modifications to existing tax law. The Company’s financial statements for the year ended December 31, 2017 reflect the effects of the Act which includes a reduction to the U.S. Federal Corporate rate to 21%, effective January 1, 2018. The Company revalued its deferred tax assets as of December 31, 2017 at the newly enacted rate resulting in a net deferred tax expense of \$5.4 million, which is included in the 2017 provision for income taxes. The deferred tax asset has a full valuation allowance against it; as a result, there is no net impact to the statement of operations from the remeasurement.

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**5. Income Taxes (Continued)**

At December 31, 2018 and 2017, the significant components of the Company's deferred income tax assets and liabilities were comprised of the following:

	2018	2017
<b>Deferred tax assets</b>		
Net operating losses . . . . .	\$ 298,871	\$ 264,721
Depreciable and amortizable assets . . . . .	10,259,813	7,804,867
Charitable contributions . . . . .	3,675	3,675
	10,562,359	8,073,263
Gross deferred tax assets . . . . .		
Valuation allowance . . . . .	(10,562,359)	(8,073,263)
Net deferred tax assets . . . . .	\$ —	\$ —

The following is a reconciliation of the federal statutory tax rate to our effective tax rate:

	2018	2017
Tax provision at federal statutory tax rate . . . . .	21.0%	35.0%
Other . . . . .	(0.2)	(0.1)
Remeasurement of US deferred tax assets . . . . .	0.0	(48.7)
Valuation allowance . . . . .	(20.8)	13.8
Effective tax rate . . . . .	0.0%	0.0%

The realization of the Company's deferred tax assets is dependent upon the ability to generate taxable income in future periods. As of December 31, 2018 and 2017 we had recorded a full valuation allowance due to our limited operating history and cumulative operating losses incurred to date.

The Company has a federal net operating loss ("NOL") carryforward of \$1,423,197 and \$1,260,578 at December 31, 2018 and 2017. The federal NOL can be carried forward for 20 years. Any unused NOL will expire starting in 2033.

As of December 31, 2018 and 2017, we do not have any uncertain tax positions. As a result, there are no unrecognized tax benefits as of December 31, 2018 and 2017. If we were to incur any interest and penalties in connection with uncertain tax positions we would classify interest in the "interest expense" category and classify penalties in the "other operating expenses" category within the statements of operations. The Company does not expect that changes in the liability for unrecognized tax benefits during the next 12 months will have a significant impact on the Company's financial position or results of operations.

The Company is subject to federal taxation. All federal tax filings as of December 31, 2018 have been timely filed and have open statutes of limitations for the 2013 and subsequent years.

**6. Commitments and Contingencies**

Through the course of normal business, RWLV enters into professional services agreements with consultants to provide consulting services in areas including, but not limited, to, lobbying, public

**Resorts World Las Vegas LLC**  
**Notes to Financial Statements (Continued)**  
**December 31, 2018 and 2017**

**6. Commitments and Contingencies (Continued)**

relations and marketing services. RWLV incurred \$1,256,465 and \$1,410,766 for such expenses during the years ended December 31, 2018 and 2017, respectively. In connection with the Company's development project, the Company has entered into various construction contracts, which are valued at \$677,166,064 as of December 31, 2018. There were no such commitments as of December 31, 2017.

From time to time, RWLV is subject to certain legal proceedings and claims that arise in the normal course of business. As of December 30 2018, no litigation related loss contingencies were recorded as there were no legal proceedings or claims outstanding that were probable and reasonably estimable. Where it is reasonably possible such legal proceedings or claims outstanding could result in a possible loss, an estimate or range of possible loss cannot currently be made. Refer to Cash and Cash Equivalents in Note 2 for other commitments and contingencies of the Company.

**7. Subsequent Events**

During January 2019, Genting Assets Inc. initiated a corporate restructuring whereby previously formed entities became wholly owned subsidiaries of the Company for the purpose of supporting future operations and development of the Company. Genting Assets Inc. contributed through RWLV Holdings, LLC (formerly known as RWLV, LLC, the sole member of the Company) to the Company, all of the issued and outstanding shares of stock of RWLV Capital Inc., the anticipated co-issuer for future borrowings, as well as all of the limited liability company member interests in RWLV GL LLC, RWLV West Tower LLC, and RWLV East Tower LLC, all of which will support resort operations of the Company. Further, Genting Assets Inc. contributed through RWLV Holdings, LLC to the Company, all of the limited liability company member interests in RWLV CUP LLC, which will support central plant energy operations, RWLV Future Land LLC, which will support future development of undeveloped land owned by the Company, and RWLV North Tower LLC, which will support future North Tower development. In addition, as of December 31, 2018, the Company had a Due to parent balance of \$1,053,264,251, as referenced in Note 4. In connection with the restructuring discussed above, this balance was converted by Genting Assets Inc. into an indirect limited liability company member interest in the Company. During 2019, through the date of the filing, all funding from Genting Assets Inc. to the Company was contributed as additional limited liability company member interests.

The Company has evaluated subsequent events from the balance sheet date through February 27, 2019 the date at which the financial statements were available to be issued, and determined there are no other items to disclose.

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD**  
(Company No: 7916-A)  
(Incorporated and domiciled in Malaysia)  
(A public limited liability company listed on the  
Main Market of Bursa Malaysia Securities Berhad)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**  
(In Ringgit Malaysia)

**Registered & Corporate Head Office**  
24<sup>th</sup> Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur



Genting Berhad (Company No: 7916-A)

**GENTING BERHAD**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

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Genting Berhad (Company No: 7916-A)

## **GENTING BERHAD**

*(Incorporated in Malaysia under Company No. 7916-A)*

### **DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

The Directors of **GENTING BERHAD** have pleasure in submitting their report together with this statement pursuant to Section 251(2) of the Companies Act 2016 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2018.

#### **PRINCIPAL ACTIVITIES**

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resorts, plantation, generation and supply of electric power, property development and management, tours and travel related services, investments, life sciences and biotechnology activities and oil and gas exploration, development and production activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 49 to the financial statements.

There have been no other significant changes in the nature of the activities of the Group and of the Company during the financial year.

#### **FINANCIAL RESULTS**

	<b>Group RM Million</b>	<b>Company RM Million</b>
Profit before taxation	<b>3,418.4</b>	<b>731.9</b>
Taxation	<b>(974.5)</b>	<b>(165.4)</b>
Profit for the financial year	<b><u>2,443.9</u></b>	<b><u>566.5</u></b>

#### **CONSOLIDATION OF SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END**

The Companies Commission of Malaysia (“CCM”) had on 18 February 2019 granted an order pursuant to Section 247 of the Companies Act 2016 approving the application by the Company to allow Resorts World Travel Services Private Limited (incorporated in India), a wholly owned subsidiary of Resorts World Tours Sdn Bhd, which in turn is a wholly owned subsidiary of Genting Malaysia Berhad, a company which is 49.5% owned by the Company to adopt a financial year end which does not coincide with that of the Company in relation to the financial year ending 31 March 2019, subject to the following conditions:

- (i) The Company is required to report this approval in its Directors’ Report; and
- (ii) The Company is to ensure compliance with Sections 252 and 253 of the Companies Act 2016 and Approved Accounting Standards pertaining to the preparation of Consolidated Accounts.

## **TREASURY SHARES**

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting of the Company held on 6 June 2018.

As at 31 December 2018, the total number of shares purchased was 26,320,000 and held as treasury shares in accordance with the provisions of Section 127(4) of the Companies Act 2016.

## **DIVIDENDS**

Dividends paid by the Company since the end of the previous financial year were:

- (i) A special single-tier dividend of 7.0 sen per ordinary share amounting to RM268.2 million in respect of the financial year ended 31 December 2017 was paid by the Company on 3 April 2018;
- (ii) A final single-tier dividend of 6.0 sen per ordinary share amounting to RM229.9 million in respect of the financial year ended 31 December 2017 was paid by the Company on 2 July 2018; and
- (iii) An interim single single-tier dividend of 8.5 sen per ordinary share amounting to RM327.3 million in respect of the financial year ended 31 December 2018 was paid by the Company on 12 October 2018.

A special single-tier dividend of 7.0 sen per ordinary share in respect of the financial year ended 31 December 2018 has been declared for payment on 8 April 2019 to shareholders registered in the Register of Members on 14 March 2019. Based on the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2018, the special dividend would amount to RM269.5 million.

The Directors recommend payment of a final single-tier dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2018 to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors. Based on the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2018, the final dividend would amount to RM231.0 million.

## **RESERVES AND PROVISIONS**

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in Notes 28, 32, 37 and 39 to the financial statements.

## **ISSUE OF SHARES AND DEBENTURES**

During the financial year, 25,113,876 new ordinary shares were issued by virtue of the exercise of 25,113,876 warrants to subscribe for 25,113,876 ordinary shares in the share capital of the Company at an exercise price of RM7.96 per ordinary share pursuant to the non-renounceable restricted issue of 764,201,920 new warrants in the Company (“Warrants 2013/2018”).

All the above mentioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

## **SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

## **WARRANTS 2013/2018**

The Warrants 2013/2018 are listed on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”) with effect from 23 December 2013.

Each Warrant carries the right to subscribe for 1 new ordinary share in the Company at any time from 19 December 2013 up to the expiry date on 18 December 2018, at an exercise price of RM7.96 for each new share. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The Warrants 2013/2018 are constituted by a Deed Poll dated 12 November 2013.

The ordinary shares issued from the exercise of Warrants 2013/2018 shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants 2013/2018.

The Warrants 2013/2018 had expired on 18 December 2018 and delisted from Bursa Securities on 19 December 2018.

## **DIRECTORATE**

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Lim Kok Thay  
Tan Sri Foong Cheng Yuen  
Mr Lim Keong Hui  
Dato’ Dr. R. Thillainathan  
Tan Sri Dr. Lin See Yan  
Datuk Chin Kwai Yoong  
Madam Koid Swee Lian  
Tun Mohammed Hanif bin Omar (Retired on 31 December 2018)

**DIRECTORATE (Cont'd)**

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares and/or performance shares and/or warrants of the Company, Genting Malaysia Berhad, a company which is 49.5% owned by the Company as at 31 December 2018, Genting Plantations Berhad and Genting Singapore Limited, both of which are subsidiaries of the Company, as set out below:

**Interest in the Company**

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Disposed</b>	<b>31.12.2018</b>
	<b>(Number of ordinary shares)</b>			
<b>Shareholdings in which the Directors have direct interests</b>				
Tan Sri Lim Kok Thay	68,119,980	-	-	68,119,980
Dato' Dr. R. Thillainathan	20,000	5,000	-	25,000
Tan Sri Foong Cheng Yuen	10,000	-	-	10,000

**Shareholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	1,630,411,110 <sup>(a)</sup>	300,000 <sup>(a)</sup>	-	1,630,711,110 <sup>(a)</sup>
Mr Lim Keong Hui	1,630,411,110 <sup>(a)</sup>	300,000 <sup>(a)</sup>	-	1,630,711,110 <sup>(a)</sup>

**Interest of Spouse/Child of the Director**

Dato' Dr. R. Thillainathan	623,000	144,250	-	767,250
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	<b>1.1.2018</b>	<b>Acquired</b>	<b>Exercised<sup>@</sup>/ Expired*</b>	<b>31.12.2018</b>
	<b>(Number of warrants 2013/2018)</b>			
<b>Warrantholdings in which the Directors have direct interests</b>				
Tan Sri Lim Kok Thay	17,029,995	-	17,029,995*	-
Dato' Dr. R. Thillainathan	5,000	-	5,000 <sup>@</sup>	-

**Warrantholdings in which the Directors have direct interests**

Tan Sri Lim Kok Thay	17,029,995	-	17,029,995*	-
Dato' Dr. R. Thillainathan	5,000	-	5,000 <sup>@</sup>	-

**Interest of Spouse/Child of the Director**

Dato' Dr. R. Thillainathan	138,750	-	138,750 <sup>@</sup>	-
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Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

**Interest in the Company (Cont'd)**

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Exercised<sup>@</sup>/ Expired*</b>	<b>31.12.2018</b>
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(Number of warrants 2013/2018)

**Warrantholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	407,602,777 <sup>(a)</sup>	-	407,602,777*	-
Mr Lim Keong Hui	407,602,777 <sup>(a)</sup>	-	407,602,777*	-

**Interest in Genting Malaysia Berhad (“Genting Malaysia”)**

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Disposed</b>	<b>31.12.2018</b>
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(Number of ordinary shares)

**Shareholdings in which the Directors have direct interests**

Tan Sri Lim Kok Thay	8,127,900	6,012,200	-	14,140,100
Mr Lim Keong Hui	186,800	235,500	-	422,300
Tan Sri Dr. Lin See Yan	450,000	100,000	-	550,000

**Shareholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	2,796,992,189 <sup>(b)</sup>	-	-	2,796,992,189 <sup>(b)</sup>
Mr Lim Keong Hui	2,796,992,189 <sup>(b)</sup>	-	-	2,796,992,189 <sup>(b)</sup>

	<b>1.1.2018</b>	<b>Granted</b>	<b>Vested</b>	<b>Lapsed</b>	<b>31.12.2018</b>
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(Number of ordinary shares)

**Long Term Incentive Plan shares in the names of Directors**

**Restricted Share Plan**

Tan Sri Lim Kok Thay	4,203,425 <sup>(e)</sup>	1,561,000 <sup>(e)</sup>	1,842,700	-	3,921,725 <sup>(e)</sup>
Mr Lim Keong Hui	183,400 <sup>(e)</sup>	51,100 <sup>(e)</sup>	62,300	-	172,200 <sup>(e)</sup>

Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

**Interest in Genting Malaysia (Cont'd)**

	<b>1.1.2018</b>	<b>Granted</b>	<b>Vested</b>	<b>Lapsed</b>	<b>31.12.2018</b>
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(Number of ordinary shares)

**Long Term Incentive Plan shares  
in the names of Directors (cont'd)**

**Performance Share Plan**

Tan Sri Lim Kok Thay	7,213,987 <sup>(e)</sup>	5,748,875 <sup>(e)</sup>	4,169,500	293,468	8,499,894 <sup>(e)</sup>
Mr Lim Keong Hui	378,924 <sup>(e)</sup>	188,125 <sup>(e)</sup>	173,200	46,306	347,543 <sup>(e)</sup>

**Interest in Genting Plantations Berhad (“Genting Plantations”)**

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Disposed</b>	<b>31.12.2018</b>
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(Number of ordinary shares)

**Shareholding in which the Director  
has direct interest**

Tan Sri Lim Kok Thay	369,000	-	-	369,000
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**Interest of Spouse/Child of the Director**

Dato’ Dr. R. Thillainathan	10,000	2,000	-	12,000
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**Shareholdings in which the Directors  
have deemed interests**

Tan Sri Lim Kok Thay	407,005,000 <sup>(c)</sup>	-	-	407,005,000 <sup>(c)</sup>
Mr Lim Keong Hui	407,005,000 <sup>(c)</sup>	-	-	407,005,000 <sup>(c)</sup>

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Exercised<sup>@</sup>/ Disposed</b>	<b>31.12.2018</b>
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(Number of warrants 2013/2019)

**Warrantholding in which the Director  
has direct interest**

Tan Sri Lim Kok Thay	73,800	-	-	73,800
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Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

**Interest in Genting Plantations (cont'd)**

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Exercised<sup>@</sup>/ Disposed</b>	<b>31.12.2018</b>
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(Number of warrants 2013/2019)

**Warrantholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	81,401,000 <sup>(c)</sup>	-	-	81,401,000 <sup>(c)</sup>
Mr Lim Keong Hui	81,401,000 <sup>(c)</sup>	-	-	81,401,000 <sup>(c)</sup>

**Interest of Spouse/Child of the Director**

Dato' Dr. R. Thillainathan	2,000	-	2,000 <sup>@</sup>	-
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**Interest in Genting Singapore Limited ("Genting Singapore")**

	<b>1.1.2018</b>	<b>Acquired</b>	<b>Disposed</b>	<b>31.12.2018</b>
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(Number of ordinary shares)

**Shareholdings in which the Directors have direct interests**

Tan Sri Lim Kok Thay	13,445,063	-	-	13,445,063
Dato' Dr. R. Thillainathan	1,582,438	-	-	1,582,438
Tan Sri Dr. Lin See Yan	496,292	-	-	496,292

**Shareholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	6,353,828,069 <sup>(d)</sup>	-	-	6,353,828,069 <sup>(d)</sup>
Mr Lim Keong Hui	6,353,828,069 <sup>(d)</sup>	-	-	6,353,828,069 <sup>(d)</sup>

	<b>1.1.2018</b>	<b>Awarded</b>	<b>Vested</b>	<b>31.12.2018</b>
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(Number of performance shares)

**Performance Shares in the name of a Director**

Tan Sri Lim Kok Thay	-	750,000 <sup>(f)</sup>	-	750,000 <sup>(f)</sup>
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**DIRECTORATE (Cont'd)**

Legend:

\* *The warrants 2013/2018 had expired on 18 December 2018.*

(a) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:*

- i) *beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd (“PMSB”) is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited (“KHI”) which in turn owns 100% of the voting shares in Kien Huat Realty Sdn Berhad (“KHR”). As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of the Company held by KHR and Inverway Sdn Bhd (“Inverway”), a wholly owned subsidiary of KHR by virtue of its controlling interest in KHR and Inverway; and*
- ii) *beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited (“FNTC”) is the trustee. Golden Hope Limited (“GHL”) acts as trustee of the Golden Hope Unit Trust (“GHUT”), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares and warrants in the Company.*

*Arising from the above, Tan Sri Lim Kok Thay and Mr Lim Keong Hui have deemed interests in the shares of certain subsidiaries of Genting Berhad.*

(b) *Deemed interests by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:*

- i) *beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares of KHR. KHR owns more than 20% of the voting shares of the Company which owns these ordinary shares in Genting Malaysia. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of Genting Malaysia held by the Company as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the Company. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of Genting Malaysia held by KHR by virtue of its controlling interest in KHR; and*
- ii) *beneficiaries of a discretionary trust of which FNTC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in Genting Malaysia.*

**DIRECTORATE (Cont'd)**

Legend (Cont'd):

- (c) *Deemed interests by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of the Company which owns these ordinary shares and warrants in Genting Plantations. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of Genting Plantations held by the Company as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the Company.*
- (d) *Deemed interests by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee.*
- PMSB as trustee of the discretionary trust is deemed interested in the shares of Genting Singapore held by KHR and Genting Overseas Holdings Limited, a wholly owned subsidiary of the Company. KHR controls more than 20% of the voting share capital of the Company.*
- (e) *Represents the right of the participant to receive ordinary shares subject to the performance conditions as determined by the Remuneration Committee of Genting Malaysia.*
- (f) *Represents the right of the participant to receive fully-paid shares of Genting Singapore free of charge, upon the participant satisfying the criteria set out in the Genting Singapore Performance Share Scheme and upon satisfying such criteria as may be imposed.*

Apart from the above disclosures:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

**DIRECTORATE (Cont'd)**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the financial statements or the fixed salary of a full time employee of the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) A corporation in which Tan Sri Lim Kok Thay is a Director and has substantial financial interest, has:
  - (a) leased an office premise on the 10<sup>th</sup> Floor, Genting Centre, Singapore from Resorts World Properties Pte. Ltd., a wholly owned subsidiary of Genting Singapore, which in turn is an indirect 52.7% owned subsidiary of the Company.
  - (b) been appointed by Resorts World at Sentosa Pte. Ltd., an indirect wholly owned subsidiary of Genting Singapore, as the consultant for theme park and resort development and operations of the Resorts World Sentosa.
  - (c) been appointed by Genting Malaysia, a company which is 49.5% owned by the Company, as the consultant for theme park and resort development and operations of the Resorts World Genting at Genting Highlands.
  - (d) been appointed by Resorts World Las Vegas LLC, an indirect wholly owned subsidiary of the Company to provide design services as an Entertainment Design Consultant for the indoor Entertainment Street of the Resorts World Las Vegas project.
- (ii) Transactions made by the Company or its related corporations with certain corporations referred to in Note 48 to the financial statements in which the nature of relationships of Tan Sri Lim Kok Thay and Mr Lim Keong Hui are disclosed therein.

Tan Sri Dr. Lin See Yan and Datuk Chin Kwai Yoong are due to retire by rotation at the forthcoming Annual General Meeting ("AGM") in accordance with Paragraph 99 of the Company's Constitution and they have indicated their intention not to seek for re-election at the conclusion of the aforesaid AGM.

In accordance with Paragraph 99 of the Company's Constitution, Mr Lim Keong Hui is due to retire by rotation at the forthcoming AGM and he, being eligible, has offered himself for re-election.

Details of the remuneration of the Directors of the Company are set out in Note 12 to the financial statements.

## **DIRECTORATE (Cont'd)**

The names of directors of subsidiaries where the shares are held by the Company are listed below (excluding directors who are also Directors of the Company):

Tan Sri Dato' Seri Alwi Jantan	Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd Zahidi bin Hj Zainuddin (R)
Tan Sri Clifford Francis Herbert	Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)
Mr Quah Chek Tin	Mr Ching Yew Chye
Mr Teo Eng Siong	Mr Yong Chee Kong
Dato' Koh Hong Sun	Tan Sri Dato' Sri Zaleha binti Zahari
Madam Chong Kwai Ying	Mr Lee Ser Wor
Mr Tan Kong Han	Mr Hiu Woon Yau
Mr Ong Tiong Soon	Professor Claude Michel Wischik
Mr Chong Kin Leong	Mr Wong Kin Meng
Ms Wong Yee Fun	Dr Loh Yin Sze
Mr Derrick Khoo Sin Huat	<i>(alternate director to Mr Wong Kin Meng)</i>
Ms Goh Lee Sian	Ms Christine Chan Meng Yook
Encik Azmi bin Abdullah	Mr Declan Thomas Kenny
Ms Chiew Sow Lin	Mr John Craig Brown
Ms Woon Yoke Sun	Mr Christopher James Tushingham
Mr Chew Weng Hong	<i>(alternate director to Mr John Craig Brown)</i>
Dato' Justin Leong Ming Loong	Mr Charles Gary Hepburn*
Ms Koh Poy Yong	Mr Christopher James Tushingham
	<i>(alternate director to Mr Charles Gary Hepburn)<sup>#</sup></i>

*\*Resigned/<sup>#</sup>ceased during the financial year*

Total directors' remuneration paid by these subsidiaries during the financial year is RM1.6 million.

## **INDEMNITY AND INSURANCE COSTS**

The Directors and officers of the Group and the Company are covered by Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The sum insured was determined by the Company after taking into account the diversified nature of the Group's businesses across multiple territories globally. The premium borne by the Company and the Group for the D&O coverage during the financial year was approximately RM0.2 million and RM0.9 million respectively.

## **OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

**OTHER STATUTORY INFORMATION (Cont'd)**

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature except for those disclosed in the financial statements; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

**SUBSIDIARIES**

Details of the subsidiaries of the Company are set out in Note 49 to the financial statements.

**AUDITORS**

Details of auditors' remuneration are set out in Note 10 to the financial statements.

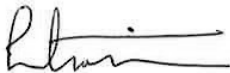
The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146), have expressed their willingness to accept re-appointment as auditors.

Genting Berhad (Company No: 7916-A)

**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

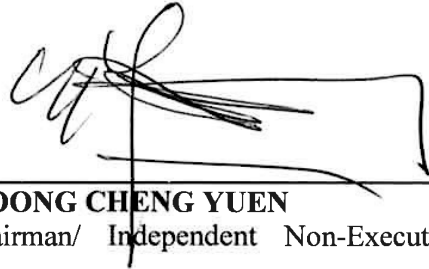
We, **TAN SRI LIM KOK THAY** and **TAN SRI FOONG CHENG YUEN**, being two of the Directors of **GENTING BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 15 to 199 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and financial performance of the Group and of the Company for the financial year ended 31 December 2018 in accordance with the Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 February 2019.



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**TAN SRI LIM KOK THAY**  
Chairman and Chief Executive



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**TAN SRI FOONG CHENG YUEN**  
Deputy Chairman/ Independent Non-Executive Director

Kuala Lumpur

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

**INCOME STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2018	2017	2018	2017
<b>Revenue</b>	5 & 6	<b>20,853.0</b>	20,025.7	<b>1,852.4</b>	1,417.2
Cost of sales	7	<b>(13,029.9)</b>	(12,746.5)	<b>(111.4)</b>	(120.4)
Gross profit		<b>7,823.1</b>	7,279.2	<b>1,741.0</b>	1,296.8
Other income		<b>1,149.9</b>	1,686.5	<b>94.9</b>	69.6
Selling and distribution costs		<b>(452.5)</b>	(467.4)	-	-
Administration expenses		<b>(1,459.4)</b>	(1,515.6)	<b>(16.2)</b>	(16.3)
Reversal of previously recognised impairment losses	8	<b>3.4</b>	-	<b>8.9</b>	-
Impairment losses*	8	<b>(2,008.5)</b>	(675.0)	<b>(841.5)</b>	(428.1)
Other expenses		<b>(546.0)</b>	(493.7)	<b>(18.7)</b>	-
Other gains/(losses)	9	<b>(212.9)</b>	(506.9)	<b>(56.5)</b>	(7.6)
Finance cost	10	<b>(1,013.1)</b>	(950.1)	<b>(180.0)</b>	(180.2)
Share of results in joint ventures	23	<b>141.3</b>	38.8	-	-
Share of results in associates	24	<b>(6.9)</b>	(85.9)	-	-
<b>Profit before taxation</b>	5 & 10	<b>3,418.4</b>	4,309.9	<b>731.9</b>	734.2
Taxation	13	<b>(974.5)</b>	(1,068.4)	<b>(165.4)</b>	(138.5)
<b>Profit for the financial year</b>		<b>2,443.9</b>	3,241.5	<b>566.5</b>	595.7

\* Included in impairment losses of the Group in the current financial year is the impairment loss on the promissory notes of RM1,834.3 million by Genting Malaysia Berhad Group. Genting Malaysia Berhad (“Genting Malaysia”) is 49.5% owned by the Company.



Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

**INCOME STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)**

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2018	2017	2018	2017
Profit attributable to:					
Equity holders of the Company		<b>1,365.6</b>	1,444.7	<b>566.5</b>	595.7
Holders of perpetual capital securities of a subsidiary		-	256.5	-	-
Non-controlling interests		<b>1,078.3</b>	1,540.3	-	-
		<b><u>2,443.9</u></b>	<u>3,241.5</u>	<b><u>566.5</u></b>	<u>595.7</u>
Earnings per share for profit attributable to the equity holders of the Company:					
Basic (sen)	14	<b><u>35.58</u></b>	<u>38.27</u>		
Diluted (sen)	14	<b><u>35.56</u></b>	<u>37.60</u>		

**STATEMENTS OF COMPREHENSIVE INCOME  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2018	2017	2018	2017
<b>Profit for the financial year</b>		<b>2,443.9</b>	3,241.5	<b>566.5</b>	595.7
<b>Other comprehensive loss</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Actuarial (loss)/gain on retirement benefit liability		(5.1)	7.8	-	-
Change in the fair value of equity investments at fair value through other comprehensive income		(654.1)	-	-	-
		<u>(659.2)</u>	<u>7.8</u>	<u>-</u>	<u>-</u>
<b>Items that will be reclassified subsequently to profit or loss:</b>					
Available-for-sale financial assets					
- Fair value gain		-	26.3	-	-
- Reclassification to profit or loss		-	(168.6)	-	-
		-	(142.3)	-	-
Cash flow hedges					
- Fair value gain		101.6	73.8	-	-
- Reclassifications		3.7	(12.5)	-	-
		<b>105.3</b>	61.3	-	-
Share of other comprehensive income/(loss) of joint ventures	23	0.9	(9.1)	-	-
Share of other comprehensive income/(loss) of associates	24	13.3	(47.3)	-	-
Net foreign currency exchange differences		305.4	(2,405.8)	-	-
		<u>424.9</u>	<u>(2,543.2)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive loss for the financial year, net of tax</b>		<b>(234.3)</b>	<b>(2,535.4)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>		<b><u>2,209.6</u></b>	<b><u>706.1</u></b>	<b><u>566.5</u></b>	<b><u>595.7</u></b>
Total comprehensive income/(loss) attributable to:					
Equity holders of the Company		1,120.4	(234.1)	566.5	595.7
Holders of perpetual capital securities of a subsidiary		-	114.6	-	-
Non-controlling interests		1,089.2	825.6	-	-
		<u>2,209.6</u>	<u>706.1</u>	<u>566.5</u>	<u>595.7</u>

**GENTING BERHAD** (Incorporated in Malaysia)**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018**

Amounts in RM million unless otherwise stated

	Note	31.12.2018	Group 31.12.2017	1.1.2017	31.12.2018	Company 31.12.2017	1.1.2017
<b>ASSETS</b>							
<b>Non-Current Assets</b>							
Property, plant and equipment	16	<b>38,996.0</b>	36,261.4	34,783.6	<b>2.6</b>	2.8	2.0
Land held for property development	17	<b>370.7</b>	378.8	374.2	-	-	-
Investment properties	18	<b>1,995.2</b>	1,965.3	2,099.6	-	-	-
Leasehold land use rights	19	<b>664.6</b>	641.0	495.8	-	-	-
Intangible assets	20	<b>5,677.1</b>	5,903.8	6,527.4	-	-	-
Rights of use of oil and gas assets	21	<b>3,544.2</b>	3,608.1	4,069.7	-	-	-
Subsidiaries	22	-	-	-	<b>14,001.0</b>	14,286.4	14,357.4
Amounts due from subsidiaries	22	-	-	-	<b>355.9</b>	68.7	68.7
Joint ventures	23	<b>1,667.8</b>	1,213.8	1,284.8	-	-	-
Associates	24	<b>710.8</b>	720.2	1,023.3	-	-	-
Available-for-sale financial assets	25	-	1,957.4	2,117.0	-	-	-
Financial assets at fair value through other comprehensive income	26	<b>514.3</b>	-	-	-	-	-
Financial assets at fair value through profit or loss	27	<b>679.6</b>	-	-	-	-	-
Derivative financial instruments	42	<b>25.9</b>	4.3	114.1	-	227.9	232.8
Other non-current assets	28	<b>4,332.6</b>	6,019.8	6,164.2	-	-	-
Deferred tax assets	29	<b>394.9</b>	172.7	237.9	<b>30.3</b>	24.6	20.9
		<b>59,573.7</b>	<b>58,846.6</b>	<b>59,291.6</b>	<b>14,389.8</b>	<b>14,610.4</b>	<b>14,681.8</b>
<b>Current Assets</b>							
Property development costs	17	<b>44.8</b>	31.2	50.0	-	-	-
Inventories	30	<b>685.3</b>	579.8	583.0	-	-	-
Produce growing on bearer plants	31	<b>3.8</b>	6.1	9.2	-	-	-
Trade and other receivables	32	<b>2,205.1</b>	2,123.8	2,344.9	<b>11.0</b>	10.5	10.8
Current tax assets		<b>228.8</b>	247.7	134.3	-	-	-
Amounts due from subsidiaries	22	-	-	-	<b>33.5</b>	66.4	275.4
Amounts due from joint ventures	23	<b>149.9</b>	4.2	3.8	-	-	-
Amounts due from associates	24	<b>4.4</b>	1.1	7.0	-	-	-
Available-for-sale financial assets	25	-	868.1	1,619.7	-	-	200.0
Financial assets at fair value through other comprehensive income	26	<b>383.2</b>	-	-	-	-	-
Financial assets at fair value through profit or loss	27	<b>757.8</b>	7.4	10.8	-	-	-
Derivative financial instruments	42	<b>23.0</b>	3.9	7.7	<b>170.9</b>	-	-
Restricted cash	33	<b>1,059.3</b>	1,325.1	565.1	<b>0.5</b>	0.1	0.1
Cash and cash equivalents	33	<b>30,987.9</b>	29,491.9	25,318.5	<b>2,503.3</b>	2,460.2	1,430.4
		<b>36,533.3</b>	<b>34,690.3</b>	<b>30,654.0</b>	<b>2,719.2</b>	<b>2,537.2</b>	<b>1,916.7</b>
Assets classified as held for sale	34	<b>34.4</b>	75.7	1,600.9	-	-	-
		<b>36,567.7</b>	<b>34,766.0</b>	<b>32,254.9</b>	<b>2,719.2</b>	<b>2,537.2</b>	<b>1,916.7</b>
<b>Total Assets</b>		<b>96,141.4</b>	<b>93,612.6</b>	<b>91,546.5</b>	<b>17,109.0</b>	<b>17,147.6</b>	<b>16,598.5</b>

## STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2018 (Cont'd)

Amounts in RM million unless otherwise stated

	Note	31.12.2018	Group 31.12.2017	1.1.2017	31.12.2018	Company 31.12.2017	1.1.2017
<b>EQUITY AND LIABILITIES</b>							
<b>Equity Attributable to Equity Holders of the Company</b>							
Share capital	35	3,056.2	2,818.7	375.0	3,056.2	2,818.7	375.0
Treasury shares	36	(221.2)	(221.2)	(221.2)	(221.2)	(221.2)	(221.2)
Reserves	37	31,438.7	31,190.4	33,854.1	10,411.3	10,707.8	12,538.6
		<b>34,273.7</b>	<b>33,787.9</b>	<b>34,007.9</b>	<b>13,246.3</b>	<b>13,305.3</b>	<b>12,692.4</b>
Perpetual capital securities of a subsidiary		-	-	7,144.9	-	-	-
Non-controlling interests		23,114.5	23,313.0	23,549.2	-	-	-
<b>Total Equity</b>		<b>57,388.2</b>	<b>57,100.9</b>	<b>64,702.0</b>	<b>13,246.3</b>	<b>13,305.3</b>	<b>12,692.4</b>
<b>Non-Current Liabilities</b>							
Long term borrowings	38	25,163.5	24,950.2	15,745.0	-	-	-
Amounts due to subsidiaries	22	-	-	-	1,997.0	3,592.8	3,592.5
Deferred tax liabilities	29	2,363.6	2,214.8	2,072.8	-	-	-
Derivative financial instruments	42	114.3	148.4	232.2	-	-	-
Provisions	39	551.9	512.0	496.1	109.6	103.0	88.3
Other non-current liabilities	40	441.5	363.3	338.3	-	-	-
		<b>28,634.8</b>	<b>28,188.7</b>	<b>18,884.4</b>	<b>2,106.6</b>	<b>3,695.8</b>	<b>3,680.8</b>
<b>Current Liabilities</b>							
Trade and other payables	41	5,251.4	5,176.5	5,106.9	44.3	48.0	39.1
Amounts due to subsidiaries	22	-	-	-	1,666.8	62.5	155.5
Amounts due to joint ventures	23	53.5	112.4	128.0	-	-	-
Short term borrowings	38	4,061.0	2,229.1	2,298.9	-	-	-
Derivative financial instruments	42	29.3	46.1	73.4	-	-	-
Taxation		709.6	699.7	341.8	45.0	36.0	30.7
		<b>10,104.8</b>	<b>8,263.8</b>	<b>7,949.0</b>	<b>1,756.1</b>	<b>146.5</b>	<b>225.3</b>
Liabilities classified as held for sale	34	13.6	59.2	11.1	-	-	-
		<b>10,118.4</b>	<b>8,323.0</b>	<b>7,960.1</b>	<b>1,756.1</b>	<b>146.5</b>	<b>225.3</b>
<b>Total Liabilities</b>		<b>38,753.2</b>	<b>36,511.7</b>	<b>26,844.5</b>	<b>3,862.7</b>	<b>3,842.3</b>	<b>3,906.1</b>
<b>Total Equity and Liabilities</b>		<b>96,141.4</b>	<b>93,612.6</b>	<b>91,546.5</b>	<b>17,109.0</b>	<b>17,147.6</b>	<b>16,598.5</b>

Genting Berhad (Company No: 7916-A)  
**GENTING BERHAD** (Incorporated in Malaysia)  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company										Non-controlling Interests	Total Equity
	Share Capital	Warrants Reserve	Revaluation Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Foreign exchange and other reserves	Retained Earnings	Treasury Shares	Total			
<b>At 1 January 2018, as previously reported</b>	2,818.7	946.3	292.7	276.9	(52.1)	4,405.8	25,322.6	(221.2)	33,789.7	23,319.2	57,108.9	
Effects of transition from FRSS to MFRSS and reclassifications												
<b>At 1 January 2018, as restated</b>	2,818.7	946.3	(292.7)	4.6	(52.1)	(1,587.1)	6,274.1	-	33,782.8	(10.7)	57,091.3	
Profit for the financial year	-	-	-	-	-	-	1,365.6	-	1,365.6	1,078.3	2,443.9	
Other comprehensive (loss)/income	-	-	-	(592.8)	77.2	272.3	(1.9)	-	(245.2)	10.9	(234.3)	
Total comprehensive (loss)/income	-	-	-	(592.8)	77.2	272.3	1,363.7	-	1,120.4	1,089.2	2,209.6	
Transfer of gain on disposal of equity investments at fair value through other comprehensive income to retained earnings	-	-	-	(17.6)	-	-	17.6	-	-	-	-	
<b>Transactions with owners:</b>												
Effects arising from changes in composition of the Group	-	-	-	-	-	-	(11.6)	-	(11.6)	8.0	(3.6)	
Transfer upon expiry of share option scheme of a subsidiary	-	-	-	-	-	-	7.6	-	7.6	(7.6)	-	
Buy-back of shares by a subsidiary	-	-	-	-	-	-	-	-	-	(111.4)	(111.4)	
Effects of share-based payment	-	-	-	-	-	-	-	-	-	81.0	81.0	
<b>Total changes in ownership interests in subsidiaries that do not result in loss of control</b>	-	-	-	-	-	-	(4.0)	-	(4.0)	(30.0)	(34.0)	
Issue of shares upon exercise of warrants	237.5	(37.6)	-	-	-	-	-	-	199.9	-	199.9	
Transfer of warrants reserve upon expiry of warrants to retained earnings	-	(908.7)	-	-	-	-	908.7	-	-	-	-	
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	(1,253.2)	(1,253.2)	
Appropriation:												
Special single-tier dividend for the financial year ended 31 December 2017	-	-	-	-	-	-	(268.2)	-	(268.2)	-	(268.2)	
Final single-tier dividend for the financial year ended 31 December 2017	-	-	-	-	-	-	(229.9)	-	(229.9)	-	(229.9)	
Interim single-tier dividend for the financial year ended 31 December 2018	-	-	-	-	-	-	(327.3)	-	(327.3)	-	(327.3)	
<b>Total contributions by and distributions to owners</b>	237.5	(946.3)	-	-	-	-	83.3	-	(625.5)	(1,253.2)	(1,878.7)	
<b>Total transactions with owners</b>	237.5	(946.3)	-	-	-	-	79.3	-	(629.5)	(1,283.2)	(1,912.7)	
<b>Balance as at 31 December 2018</b>	3,056.2	-	-	(328.9)	25.1	(1,314.8)	33,057.3	(221.2)	34,273.7	23,114.5	57,388.2	

Genting Berhad (Company No: 7916-A)  
**GENTING BERHAD** (Incorporated in Malaysia)  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)**  
Amounts in RM million unless otherwise stated

Group	Note(s)	Attributable to equity holders of the Company										Total Equity		
		Share Capital	Share Premium	Warrants Reserve	Revaluation Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Foreign exchange and other reserves	Retained Earnings	Treasury Shares	Total		Perpetual Capital Securities of a Subsidiary	Non-controlling Interests
At 1 January 2017, as previously reported		375.0	1,481.2	1,098.7	293.0	384.3	(85.3)	6,010.8	24,672.5	(221.2)	34,009.0	7,144.9	23,550.4	64,704.3
Effects of transition from FRSS to MFRSS and reclassifications	44	-	-	-	(293.0)	-	-	(5,992.9)	6,284.8	-	(1.1)	-	(1.2)	(2.3)
At 1 January 2017, as restated		375.0	1,481.2	1,098.7	-	384.3	(85.3)	17.9	30,957.3	(221.2)	34,007.9	7,144.9	23,549.2	64,702.0
Transfer from share premium	35	1,481.2	(1,481.2)	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial year		-	-	-	-	-	-	-	1,444.7	-	1,444.7	256.5	1,540.3	3,241.5
Other comprehensive (loss)/income for the financial year		-	-	-	-	(107.4)	33.2	(1,605.0)	0.4	-	(1,678.8)	(141.9)	(714.7)	(2,535.4)
Total comprehensive (loss)/income		-	-	-	-	(107.4)	33.2	(1,605.0)	1,445.1	-	(234.1)	114.6	825.6	706.1
<b>Transactions with owners:</b>														
Effects arising from changes in composition of the Group		-	-	-	-	-	-	-	16.9	-	16.9	-	15.5	32.4
Transfer upon expiry of share option scheme of a subsidiary		-	-	-	-	-	-	-	9.8	-	9.8	-	(9.8)	-
Effects of share-based payment		-	-	-	-	-	-	-	-	-	-	-	80.0	80.0
Perpetual capital securities distribution paid by a subsidiary		-	-	-	-	-	-	-	-	-	-	(357.6)	-	(357.6)
Redemption of perpetual capital securities, net of transaction costs		-	-	-	-	-	-	-	-	-	-	-	-	-
by a subsidiary		-	-	-	-	-	-	-	(40.1)	-	(40.1)	(6,901.9)	(35.7)	(6,977.7)
Tax credit arising from perpetual capital securities of a subsidiary		-	-	-	-	-	-	-	10.3	-	10.3	-	9.2	19.5
<b>Total changes in ownership interests in subsidiaries that do not result in loss of control</b>		-	-	-	-	-	-	-	(3.1)	-	(3.1)	(7,259.5)	59.2	(7,203.4)
Issue of shares upon exercise of warrants	35 & 37	962.5	-	(152.4)	-	-	-	-	-	-	810.1	-	-	810.1
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(1,121.0)	(1,121.0)
Appropriation:														
Special single-tier dividend for the financial year ended 31 December 2016	15	-	-	-	-	-	-	-	(242.0)	-	(242.0)	-	-	(242.0)
Final single-tier dividend for the financial year ended 31 December 2016	15	-	-	-	-	-	-	-	(226.6)	-	(226.6)	-	-	(226.6)
Interim single-tier dividend for the financial year ended 31 December 2017	15	-	-	-	-	-	-	-	(324.3)	-	(324.3)	-	-	(324.3)
<b>Total contributions by and distributions to owners</b>		962.5	-	(152.4)	-	-	-	-	(792.9)	-	17.2	-	(1,121.0)	(1,103.8)
<b>Total transactions with owners</b>		962.5	-	(152.4)	-	-	-	-	(796.0)	-	14.1	(7,259.5)	(1,061.8)	(8,307.2)
<b>Balance as at 31 December 2017</b>		2,818.7	-	946.3	-	276.9	(52.1)	(1,587.1)	31,606.4	(221.2)	33,787.9	-	23,313.0	57,100.9

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

**STATEMENTS OF CHANGES IN EQUITY**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)**

Amounts in RM million unless otherwise stated

Company	Note(s)	Share Capital	Share Premium	Warrants Reserve	Retained Earnings	Treasury Shares	Total
<b>At 1 January 2018</b>		<b>2,818.7</b>	-	<b>946.3</b>	<b>9,761.5</b>	<b>(221.2)</b>	<b>13,305.3</b>
Profit for the financial year		-	-	-	566.5	-	566.5
<b>Transactions with owners:</b>							
Issue of shares upon exercise of warrants	35 & 37	237.5	-	(37.6)	-	-	199.9
Transfer of warrants reserve upon expiry of warrants to retained earnings	37	-	-	(908.7)	908.7	-	-
Appropriation:							
Special single-tier dividend for the financial year ended 31 December 2017	15	-	-	-	(268.2)	-	(268.2)
Final single-tier dividend for the financial year ended 31 December 2017	15	-	-	-	(229.9)	-	(229.9)
Interim single-tier dividend for the financial year ended 31 December 2018	15	-	-	-	(327.3)	-	(327.3)
<b>Total transactions with owners</b>		<b>237.5</b>	<b>-</b>	<b>(946.3)</b>	<b>83.3</b>	<b>-</b>	<b>(625.5)</b>
<b>Balance as at 31 December 2018</b>		<b>3,056.2</b>	<b>-</b>	<b>-</b>	<b>10,411.3</b>	<b>(221.2)</b>	<b>13,246.3</b>
<b>At 1 January 2017</b>		375.0	1,481.2	1,098.7	9,958.7	(221.2)	12,692.4
Transfer from share premium	35	1,481.2	(1,481.2)	-	-	-	-
Profit for the financial year		-	-	-	595.7	-	595.7
<b>Transactions with owners:</b>							
Issue of shares upon exercise of warrants	35 & 37	962.5	-	(152.4)	-	-	810.1
Appropriation:							
Special single-tier dividend for the financial year ended 31 December 2016	15	-	-	-	(242.0)	-	(242.0)
Final single-tier dividend for the financial year ended 31 December 2016	15	-	-	-	(226.6)	-	(226.6)
Interim single-tier dividend for the financial year ended 31 December 2017	15	-	-	-	(324.3)	-	(324.3)
<b>Total transactions with owners</b>		<b>962.5</b>	<b>-</b>	<b>(152.4)</b>	<b>(792.9)</b>	<b>-</b>	<b>17.2</b>
<b>Balance as at 31 December 2017</b>		<b>2,818.7</b>	<b>-</b>	<b>946.3</b>	<b>9,761.5</b>	<b>(221.2)</b>	<b>13,305.3</b>

**GENTING BERHAD** (Incorporated in Malaysia)**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018**

Amounts in RM million unless otherwise stated

	Group		Company	
	2018	2017	2018	2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Profit before taxation	3,418.4	4,309.9	731.9	734.2
Adjustments for:				
Depreciation and amortisation	2,223.7	2,127.0	0.7	0.9
Impairment losses	2,008.5	675.0	841.5	428.1
Finance cost	1,013.1	950.1	180.0	180.2
Net fair value loss on financial assets at fair value through profit or loss ("FVTPL")	196.3	2.5	-	-
Impairment losses and write off of receivables	168.8	168.3	-	-
Provision for share-based payments	81.0	80.3	-	-
Fair value adjustment of long term receivables	40.9	1.1	-	-
Provision for retirement gratuities	36.1	63.8	15.5	16.1
Property, plant and equipment ("PPE") written off	35.4	57.0	-	-
Share of results in associates	6.9	85.9	-	-
Inventories written off	8.5	1.3	-	-
Intangible assets written off	4.0	-	-	-
Net fair value loss arising from produce growing on bearer plants	2.3	3.2	-	-
Net loss on derecognition/dilution of shareholding in joint ventures and associates	1.8	62.4	-	-
Net fair value loss on derivative financial instruments	0.6	42.3	57.0	4.9
Interest income	(838.1)	(886.8)	(94.6)	(68.4)
Share of results in joint ventures	(141.3)	(38.8)	-	-
Net unrealised exchange (gain)/ loss	(47.9)	304.2	(1.2)	4.5
Income from financial assets at FVTPL	(23.9)	-	-	-
Net surplus arising from compensation in respect of land acquired by the Government	(17.5)	(10.6)	-	-
Dividend income	(10.6)	(10.3)	(1,131.5)	(779.6)
Net gain on disposal of PPE	(9.9)	(31.2)	-	-
Reversal of previously recognised impairment losses	(3.4)	-	(8.9)	-
Gain on disposal of assets and liabilities classified as held for sale	(0.3)	(302.2)	-	-
Amount due from an associate written off	-	5.4	-	-
Net gain on disposal of available-for-sale financial assets	-	(226.0)	-	-
Construction profit	-	(48.6)	-	-
Income from available-for-sale financial assets	-	(27.6)	-	(0.8)
Gain on bargain purchase	-	(2.8)	-	-
Other non-cash items	14.5	42.9	-	-
	<u>4,749.5</u>	<u>3,087.8</u>	<u>(141.5)</u>	<u>(214.1)</u>
<b>Operating profit before changes in working capital</b>	<b>8,167.9</b>	<b>7,397.7</b>	<b>590.4</b>	<b>520.1</b>
Working capital changes:				
Property development costs	(30.2)	18.0	-	-
Inventories	(111.5)	(4.0)	-	-
Receivables	(234.6)	181.8	(0.4)	(0.3)
Payables	175.7	12.2	(12.9)	9.0
Amounts due from/to associates	-	0.7	-	-
Amounts due from/to joint ventures	(56.8)	(14.4)	-	-
Amounts due from/to subsidiaries	-	-	(12.8)	(15.7)
Other non-current assets	(28.0)	-	-	-
Restricted cash	(27.0)	-	-	-
	<u>(312.4)</u>	<u>194.3</u>	<u>(26.1)</u>	<u>(7.0)</u>



Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)**

Amounts in RM million unless otherwise stated

	Group		Company	
	2018	2017	2018	2017
<b>Cash generated from operations</b>	<b>7,855.5</b>	7,592.0	<b>564.3</b>	513.1
Tax paid	<b>(1,129.2)</b>	(702.2)	<b>(162.1)</b>	(136.8)
Payment of retirement gratuities	<b>(3.1)</b>	(9.4)	<b>(0.1)</b>	(1.4)
Tax refunded	<b>116.3</b>	49.9	-	-
Onerous lease paid	<b>(3.9)</b>	(94.8)	-	-
Other operating activities	<b>(5.3)</b>	(0.1)	-	-
	<b>(1,025.2)</b>	(756.6)	<b>(162.2)</b>	(138.2)
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b><u>6,830.3</u></b>	<u>6,835.4</u>	<b><u>402.1</u></b>	<u>374.9</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Purchase of PPE	<b>(4,502.1)</b>	(3,399.9)	<b>(0.5)</b>	(1.7)
Purchase of investments	<b>(923.3)</b>	(435.4)	<b>(547.2)</b>	(240.6)
Payment for rights of use of oil and gas assets	<b>(84.1)</b>	(30.2)	-	-
Purchase of leasehold land use rights	<b>(37.5)</b>	(50.4)	-	-
Investment in joint venture	<b>(35.8)</b>	-	-	-
Purchase of intangible assets	<b>(23.9)</b>	(28.9)	-	-
Costs incurred on land held for property development	<b>(5.7)</b>	(8.4)	-	-
Restricted cash	<b>(4.1)</b>	(9.7)	-	-
Loan to an associate	<b>(2.9)</b>	(1.0)	-	-
Purchase of investment properties	<b>(0.1)</b>	(51.2)	-	-
Interest received	<b>604.8</b>	526.4	<b>94.5</b>	68.4
Proceeds from disposal of investments	<b>298.9</b>	903.7	-	200.0
Proceeds from disposal of PPE	<b>132.5</b>	14.8	-	-
Proceeds from disposal of assets and liabilities classified as held for sale	<b>35.3</b>	1,871.3	-	-
Finance lease rental received	<b>33.9</b>	-	-	-
Proceeds from government grant	<b>28.3</b>	-	-	-
Income received from financial assets at FVTPL	<b>18.6</b>	-	-	-
Dividends received from joint ventures	<b>11.2</b>	57.8	-	-
Dividends received	<b>10.3</b>	3.7	<b>1,131.5</b>	779.6
Dividends received from associates	<b>3.9</b>	12.2	-	-
Acquisition of subsidiaries	-	(531.1)	-	-
Investment in associate	-	(25.2)	-	-
Income received from available-for-sale financial assets	-	29.0	-	1.4
Proceeds from disposal of subsidiaries	-	17.5	-	-
Advances to subsidiaries	-	-	<b>(427.1)</b>	(190.6)
Repayment of advances from subsidiaries	-	-	<b>194.2</b>	205.7
Other investing activities	<b>23.9</b>	13.2	-	-
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>	<b><u>(4,417.9)</u></b>	<u>(1,121.8)</u>	<b><u>445.4</u></b>	<u>822.2</u>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

**STATEMENTS OF CASH FLOWS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)**

Amounts in RM million unless otherwise stated

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>				
Repayment of borrowings and payment of transaction costs	<b>(2,221.5)</b>	(4,357.8)	-	-
Dividends paid to non-controlling interests	<b>(1,253.2)</b>	(1,121.0)	-	-
Finance cost paid	<b>(1,197.6)</b>	(955.4)	<b>(180.1)</b>	(179.9)
Dividends paid	<b>(825.4)</b>	(792.9)	<b>(825.4)</b>	(792.9)
Buy-back of shares by a subsidiary	<b>(111.4)</b>	-	-	-
Proceeds from issuance of Medium Term Notes by a subsidiary	<b>2,600.0</b>	2,600.0	-	-
Proceeds from bank borrowings	<b>1,175.3</b>	4,257.6	-	-
Net movement in restricted cash	<b>313.1</b>	(753.4)	-	-
Proceeds from issue of shares upon exercise of warrants	<b>199.9</b>	810.1	<b>199.9</b>	810.1
Proceeds from shareholder loan	<b>40.4</b>	28.3	-	-
Proceeds from issue of shares to non-controlling interests	<b>18.1</b>	72.5	-	-
Redemption of perpetual capital securities by a subsidiary	-	(6,977.7)	-	-
Perpetual capital securities distribution paid by a subsidiary	-	(357.6)	-	-
Proceeds from issuance of guaranteed notes by a subsidiary	-	6,584.8	-	-
Net proceeds from issuance of bonds by a subsidiary	-	722.9	-	-
Settlement of derivative financial instruments	-	63.7	-	-
Other financing activities	<b>(0.1)</b>	0.1	-	-
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>	<b><u>(1,262.4)</u></b>	<b><u>(175.8)</u></b>	<b><u>(805.6)</u></b>	<b><u>(162.7)</u></b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>	<b>1,150.0</b>	5,537.8	<b>41.9</b>	1,034.4
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>	<b>29,491.9</b>	25,318.5	<b>2,460.2</b>	1,430.4
<b>EFFECT OF CURRENCY TRANSLATION</b>	<b><u>346.0</u></b>	<b><u>(1,364.4)</u></b>	<b><u>1.2</u></b>	<b><u>(4.6)</u></b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>	<b><u>30,987.9</u></b>	<b><u>29,491.9</u></b>	<b><u>2,503.3</u></b>	<b><u>2,460.2</u></b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>				
Bank balances and deposits	33	<b>24,710.9</b>	24,473.9	<b>1,097.7</b>
Money market instruments	33	<b>6,277.0</b>	5,018.0	<b>1,405.6</b>
		<b><u>30,987.9</u></b>	<b><u>29,491.9</u></b>	<b><u>2,503.3</u></b>
			<b><u>2,460.2</u></b>	

**GENTING BERHAD** (Incorporated in Malaysia)**STATEMENTS OF CASH FLOWS****FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2018 (Cont'd)**

Amounts in RM million unless otherwise stated

**NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS****Reconciliation of liabilities arising from financing activities**

<b>Group 2018</b>	<b>Long term borrowings</b>	<b>Short term borrowings</b>	<b>Total</b>
<b>Beginning of the financial year</b>	<b>(24,950.2)</b>	<b>(2,229.1)</b>	<b>(27,179.3)</b>
Cash flows	<b>(2,703.7)</b>	<b>2,347.5</b>	<b>(356.2)</b>
<u>Non-cash changes</u>			
Finance cost	<b>(23.2)</b>	<b>(1,323.7)</b>	<b>(1,346.9)</b>
Additions from finance leases	-	<b>(51.6)</b>	<b>(51.6)</b>
Reclassification	<b>2,820.0</b>	<b>(2,820.0)</b>	-
Foreign exchange movement	<b>(306.4)</b>	<b>15.9</b>	<b>(290.5)</b>
<b>End of the financial year</b>	<b>(25,163.5)</b>	<b>(4,061.0)</b>	<b>(29,224.5)</b>

**Group  
2017**

<b>Beginning of the financial year</b>	(15,745.0)	(2,298.9)	(18,043.9)
Cash flows	(11,230.0)	2,377.9	(8,852.1)
<u>Non-cash changes</u>			
Finance cost	(40.6)	(1,134.6)	(1,175.2)
Borrowings of subsidiaries acquired	(35.5)	(153.3)	(188.8)
Additions from finance leases	(4.9)	(1.9)	(6.8)
Reclassification	1,098.4	(1,098.0)	0.4
Foreign exchange movement	1,007.4	79.7	1,087.1
<b>End of the financial year</b>	<b>(24,950.2)</b>	<b>(2,229.1)</b>	<b>(27,179.3)</b>

**Company**

	<b>Amount due to subsidiaries (including interest payables)</b>	
	<b>2018</b>	<b>2017</b>
<b>Beginning of the financial year</b>	<b>(3,611.3)</b>	(3,611.0)
Cash flows	<b>180.1</b>	179.9
<u>Non-cash changes</u>		
Finance cost	<b>(180.0)</b>	(180.2)
<b>End of the financial year</b>	<b>(3,611.2)</b>	<b>(3,611.3)</b>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

## **NOTES TO THE FINANCIAL STATEMENTS**

**31 DECEMBER 2018**

Amounts in RM million unless otherwise stated

### **1. CORPORATE INFORMATION**

Genting Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 24<sup>th</sup> Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resort, plantation, generation and supply of electric power, property development and management, tours and travel related services, investments, life sciences and biotechnology activities and oil and gas exploration, development and production activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 49 to the financial statements.

There have been no other significant changes in the nature of the activities of the Group and of the Company during the financial year.

### **2. BASIS OF PREPARATION**

The financial statements of the Group and the Company have been prepared in accordance with and comply with Malaysian Financial Reporting Standards (“MFRS”), International Financial Reporting Standards (“IFRS”) and the requirements of the Companies Act 2016 in Malaysia.

The financial statements of the Group and of the Company for the financial year ended 31 December 2018 are the first set of financial statements prepared in accordance with MFRS, including MFRS 1 “First-time Adoption of Malaysian Financial Reporting Standards”. Aside from the short-term exemption on first-time application of MFRS 9 “Financial Instruments” and certain transition elections as disclosed in Note 44, the Group and the Company have consistently applied the same accounting policies in their opening MFRS statements of financial position as at 1 January 2017, being the transition date, and throughout all years presented, as if these policies had always been in effect. The impact of the transition to MFRS on the Group’s reported financial position, financial performance and cash flows, are disclosed in Note 44. The transition to MFRSs has no impact to the Company’s financial statements.

The financial statements have been prepared on a historical cost basis, except as disclosed in the significant accounting policies below.

## **BASIS OF PREPARATION (Cont'd)**

The preparation of financial statements in conformity with MFRS requires the Directors to make judgements, estimations and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgements in the process of applying the Group's accounting policies. Although these judgements and estimations are based on Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimations.

### **(a) Judgements and estimations**

In the process of applying the Group's accounting policies, management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include:

#### **(i) Exploration costs**

Exploration cost is accounted for in accordance with the successful efforts method. Under this method, all costs relating to exploration activities, except for geological and geophysical costs and office administration costs, are capitalised when incurred.

Exploration cost is written down to its recoverable amount when:

- it is determined that further exploration activities will not yield commercial quantities of reserves, no further exploration drilling is planned, and there is no existing production in the block or field; or
- the petroleum contract has expired or is surrendered.

In making decisions about whether to continue to capitalise exploration drilling costs, it is necessary to make judgements about the satisfaction of the above conditions after technical, commercial and management reviews. The Group is committed to continue exploring and developing these interests.

The Group tests exploration costs for any indicators of impairment or when facts and circumstances suggest that the carrying amount of exploration cost may exceed its recoverable amount. The key assumptions and judgement used in the assessment are set out in Note 21.

#### **(ii) Goodwill and intangible assets with indefinite useful life**

The Group tests goodwill and intangible assets with indefinite useful life for impairment annually or whenever events indicate that the carrying amount may not be recoverable. The calculations require the use of estimates as set out in Note 20.

## **BASIS OF PREPARATION (Cont'd)**

### **(a) Judgements and estimations (cont'd)**

#### **(iii) Impairment of trade receivables**

As at 31 December 2018, the Group's trade receivables are grouped based on shared credit risk characteristics and days past due, with expected loss rates assessed based on the Group's historical credit loss experience.

The Group further evaluates the expected credit loss ("ECL") on customers on a case-by-case basis, which may be assessed based on indicators such as changes in financial capability of the debtor, and default or significant delay in payments.

The Group's credit risk exposure for trade receivables are set out in Note 4(a)(iii).

#### **(iv) Impairment of promissory notes issued by Mashpee Wampanoag Tribe ("the Tribe")**

The measurement of ECL allowance for the Group's investment in promissory notes issued by the Tribe requires the use of significant judgements and assumptions. Explanation of the assumptions and estimation technique used in measuring ECL is detailed in Note 28.

#### **(v) Valuation of unquoted financial assets at fair value through profit or loss ("FVTPL") and financial assets at fair value through other comprehensive income ("FVOCI")**

The Group measures its unquoted financial assets at FVTPL and FVOCI (2017: available-for-sale financial assets ("AFS")) at fair value. The fair values of certain investments in unquoted equity and debt instruments are determined based on valuation techniques which involve the use of estimates as disclosed in Notes 26 and 27 respectively. In addition, the measurements of these financial assets within Level 3 of the fair value hierarchy are disclosed in Note 4(c) respectively.

#### **(vi) Taxation**

The Group is subjected to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes that includes the estimate of the amount of capital allowances for items within the leasehold improvements and fixtures and fittings asset categories and the deductibility of certain expenses.

Where the final tax outcome of these matters is different from the amounts that were initially recorded, such differences will impact the income tax and deferred tax assets and liabilities, where applicable, in the period in which such determination is made.

## **BASIS OF PREPARATION (Cont'd)**

### **(a) Judgements and estimations (cont'd)**

#### **(vi) Taxation (cont'd)**

In addition, Genting Malaysia has been granted a customised incentive under the East Coast Economic Region which entitled Genting Malaysia to claim for income tax exemption equivalent to 100% of the qualifying capital expenditure incurred for a period of 10 years (“2014 Tax Incentive Approval”). In December 2017, the Ministry of Finance made a decision to amend the 2014 Tax Incentive Approval. The amendment does not remove the tax incentives previously granted but will effectively prolong the utilisation period of the tax allowance significantly (“MOF Decision”). Genting Malaysia has filed an application for judicial review of the MOF Decision at the Kuala Lumpur High Court (“High Court”). In January 2019, the High Court granted Genting Malaysia’s application for leave to commence judicial review of the MOF Decision and a stay of the MOF Decision pending disposal of the judicial review application before the High Court (“Stay Order”).

In view of the Stay Order granted by the High Court and based on legal view obtained from the external legal counsel, Genting Malaysia has estimated the tax liability for year of assessment 2018 of RM122.0 million in accordance with the basis of utilisation as per the 2014 Tax Incentive Approval.

The Directors performed an assessment of the potential tax liability and is of the view that it is probable Genting Malaysia’s judicial review will be allowed based on discussion with the external legal counsel.

#### **(vii) Ongoing litigation and contingent liability**

Genting Malaysia filed a complaint in connection with the planned Fox-branded theme park at Resorts World Genting (“Theme Park”) in which Genting Malaysia alleged claims for breach of contract, breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and intentional interference with contract. In addition, a counter claim was filed against Genting Malaysia.

In view of the uncertainty of the outcome of the ongoing litigation, which is in its early stage, Genting Malaysia has carried out an impairment assessment on the recoverability of the property, plant and equipment for the Theme Park assets as well as determined the probability of an outflow of resources embodying economic benefits that will be required to settle the counter claim. Details of the impairment assessment and ongoing litigation and contingent liability are disclosed in Notes 16 and 46 respectively.

### **(b) Standards and amendments that have been issued but not yet effective**

A number of new standards and amendments to standards and interpretations are effective for financial year beginning on or after 1 January 2019 as set below:

- MFRS 16 “Leases” (effective from 1 January 2019) supersedes MFRS 117 “Leases” and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

## **BASIS OF PREPARATION (Cont'd)**

### **(b) Standards and amendments that have been issued but not yet effective (cont'd)**

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the income statement. For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently.

The Group will apply the standard from its mandatory adoption date of 1 January 2019. The Group intends to apply the simplified transition approach and will not restate comparative amounts for the year prior to first adoption. Right-of-use assets for property leases will be measured on transition as if the new rules had always been applied. Based on the assessment undertaken to-date, the adoption of this standard would impact on the Group’s financial position with the recognition of right-of-use assets and lease liabilities.

#### Annual Improvements to MFRSs 2015 - 2017 Cycle

- Amendments to MFRS 3 “Business Combinations” (effective from 1 January 2019) clarify that when a party obtains control of a business that is a joint operation, the acquirer should account the transaction as a business combination achieved in stages. Accordingly it should remeasure its previously held interest in the joint operation (rights to the assets and obligations for the liabilities) at fair value on the acquisition date.
- Amendments to MFRS 11 “Joint Arrangements” (effective from 1 January 2019) clarify that when a party obtains joint control of a business that is a joint operation, the party should not remeasure its previously held interest in the joint operation.
- Amendments to MFRS 112 “Income Taxes” (effective from 1 January 2019) clarify that where income tax consequences of dividends on financial instruments classified as equity is recognised (either in profit or loss, other comprehensive income or equity) depends on where the past transactions that generated distributable profits were recognised. Accordingly, the tax consequences are recognised in profit or loss when an entity determines payments on such instruments are distribution of profits (that is, dividends). Tax on dividend should not be recognised in equity merely on the basis that it is related to a distribution to owners.
- Amendments to MFRS 123 “Borrowing Costs” (effective from 1 January 2019) clarify that if a specific borrowing remains outstanding after the related qualifying asset is ready for its intended use or sale, it becomes part of general borrowings.
- Amendments to MFRS 119 “Plan amendment, curtailment or settlement” (effective 1 January 2019) require an entity to use the updated actuarial assumptions from remeasurement of its net defined liability or asset arising from plan amendment, curtailment or settlement, to determine current service cost and net interest for the remaining period after the change to the plan. The amendments will be applied prospectively.

The adoption of the above amendments will not have any significant impact on the Group’s financial statements.



## **BASIS OF PREPARATION (Cont'd)**

### **(b) Standards and amendments that have been issued but not yet effective (cont'd)**

- Amendments to MFRS 101 “Presentation of Financial Statements” and MFRS 108 “Accounting Policies, Changes in Accounting Estimates and Errors” (effective 1 January 2020) clarify the definition of materiality and use a consistent definition throughout MFRSs and the Conceptual Framework for Financial Reporting.

The definition of “material” has been revised as “Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.”

The amendments also:

- clarify that an entity assess materiality in the context of the financial statements as a whole.
- explain the concept of obscuring information in the new definition. Information is obscured if it has the effect similar as omitting or misstating that information. For example, material transaction is scattered throughout the financial statements, dissimilar items are inappropriately aggregated, or material information is hidden by immaterial information.
- clarify the meaning of “primary users of general purpose financial statements” to whom those financial statements are directed, by defining them as “existing and potential investors, lenders and other creditors” that must rely on general purpose financial statements for much of the financial information they need.

The amendments shall be applied prospectively.

- Amendments to MFRS 3 “Definition of a Business” (effective 1 January 2020) revise the definition of a business. To be considered a business, an acquisition would have to include an input and a substantive process that together significantly contribute to the ability to create outputs.

The amendments provide guidance to determine whether an input and a substantive process are present, including situation where an acquisition does not have outputs. To be a business without outputs, there will now need to be an organised workforce. It is also no longer necessary to assess whether market participants are capable of replacing missing elements or integrating the acquired activities and assets.

In addition, the revised definition of the term “outputs” is narrower, focuses on goods or services provided to customers, generating investment returns and other income but excludes returns in the form of cost savings.

The amendments introduce an optional simplified assessment known as “concentration test” that, if met, eliminates the need for further assessment. Under this concentration test, if substantially all of the fair value of gross assets acquired is concentrated in a single identifiable asset (or a group of similar assets), the assets acquired would not represent a business.

The amendments shall be applied prospectively.

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Consolidation**

(a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with MFRS 9 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the fair value of any previous equity interest in the acquiree at the acquisition date over the fair value of the net identifiable assets acquired and liabilities assumed. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss as a gain on bargain purchase.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of financial position respectively.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Basis of Consolidation (cont'd)**

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in other comprehensive income (“OCI”) in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to the profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is based on the contractually agreed sharing of control of an arrangement, and decisions of relevant activities would require the unanimous consent of the parties sharing control. The Group accounts for each of the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with its contractually conferred rights and obligations. These have been incorporated in the financial statements under the appropriate headings.

The Group’s interests in joint ventures are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group’s share of the post acquisition results of joint ventures in the profit or loss and its share of post acquisition movements within reserves in OCI. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of non-financial assets.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Basis of Consolidation (cont'd)**

#### **(d) Joint arrangements (cont'd)**

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other parties in the ventures. The Group does not recognise its share of profits or losses from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

Equity accounting is discontinued when the carrying amount of the investment in joint ventures (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the joint venture.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate.

#### **(e) Associates**

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in profit or loss the Group's share of the associates' results and its share of post-acquisition movements in reserves is recognised in OCI with a corresponding adjustment to the carrying amount of the investment. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the associate.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. See impairment policy note on impairment of non-financial assets.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Basis of Consolidation (cont'd)**

#### **(e) Associates (cont'd)**

Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of impairment on the assets transferred.

Dilution gains and losses arising in investments in associates are recognised in the profit or loss.

When the Group increases its stake in an existing investment and the investment becomes an associate for the first time, the cost of an associate acquired in stages is measured as the sum of the fair value of the interest previously held plus the fair value of any additional consideration transferred as of the date when the investment became an associate. Any gain or loss on re-measurement of the previously held stake is taken to profit or loss and any OCI recognised in prior periods in relation to the previously held stake in the acquired associate is also recognised in profit or loss. Any acquisition-related costs are expensed in the periods in which the costs are incurred.

The cost of acquiring additional stake in an associate is added to the carrying amount of the associate. This is the deemed cost of the Group's investment in the associate for applying equity accounting. Goodwill arising on the purchase of additional stake is computed using the fair value information at the date the additional interest is purchased. The previously held interest is not re-measured.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of associates to ensure consistency of accounting policies with those of the Group.

When the Group ceases significant influence, investments in associates are derecognised. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the profit or loss.

### **Investment in Subsidiaries**

In the Company's separate financial statements, investments in subsidiaries are shown at cost less accumulated impairment losses. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. See accounting policy on impairment of non-financial assets.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Property, Plant and Equipment**

Property, plant and equipment are tangible items that:

- (i) are held for use in the production or supply of goods or services, or for administrative purposes; and
- (ii) are expected to be used during more than one period.

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses.

A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales. Costs include plantation expenditure incurred from the stage of land clearing up to the stage of maturity.

Cost of other property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Cost also includes borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset. See accounting policy on borrowings.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the profit or loss during the financial year that they are incurred.

Freehold land is stated at cost and is not depreciated. Leasehold lands are amortised equally over their respective periods of lease. The depreciation of leasehold land is capitalised as part of the cost of bearer plant from the stage of land clearing up to the stage of maturity. Immature bearer plants and other property, plant and equipment which are under construction are not depreciated. Depreciation commences when the bearer plants mature or when the assets under construction are ready for their intended use.

The depreciable amount of an item of property, plant and equipment is determined as the difference between the cost less its residual value. The residual value is the estimated amount that the Group expects to obtain from disposal of the asset, after deducting the estimated cost of disposal, if the asset was already of the age and in the condition expected at the end of its useful lives.

Depreciation of other assets is calculated using the straight-line method to allocate their cost to their residual values over their estimated useful lives, as follows:

	Years
Buildings and improvements	2 – 60
Plant, equipment and vehicles	2 – 50
Bearer plants	22
Leasehold lands	30 – 999
Aircrafts, sea vessels and improvements	2 – 25

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Property, Plant and Equipment (Cont'd)**

The assets' residual values and useful lives are reviewed annually and revised if appropriate.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amounts and are included in the profit or loss.

### **Investment Properties**

Investment properties consist of investments in land and buildings that are held for long-term rental yield and/or for capital appreciation and are not occupied by the Group.

Investment in freehold land is stated at cost. Leasehold land is amortised using the straight-line method over the lease period. Other investment properties are stated at cost less accumulated depreciation and impairment losses. Investment properties under construction are not depreciated. Depreciation for other investment properties is calculated using the straight-line method to allocate their cost over their estimated useful lives as follows:

	Years
Leasehold land	51 – 97
Buildings and improvements	2 – 50

Subsequent expenditure is capitalised to the asset's carrying amount only when it is probable that future economic benefits associated with the expenditure will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance costs are expensed when incurred. When part of an investment property is replaced, the carrying amount of the replaced part is derecognised.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount. See accounting policy note on impairment of non-financial assets.

Investment property is derecognised either when it has been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its retirement from use.

Gains or losses on disposals are determined by comparing the net disposal proceeds with the carrying amount and are included in the profit or loss.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Leasehold Land Use Rights**

Leasehold land that normally has a finite economic life and title which is not expected to pass to the lessee by the end of the lease term is treated as an operating lease. The payment made on entering into or acquiring a leasehold land is accounted for as leasehold land use rights (referred to as prepaid lease payments in MFRS 117 “Leases”) and is amortised over the lease term in accordance with the pattern of benefits provided.

### **Financial Assets**

#### Accounting policies applied from 1 January 2018

##### (a) Classification

From 1 January 2018, the Group classifies its financial assets in the following measurement categories:

- (i) those to be measured at fair value (either through OCI or through profit or loss); and
- (ii) those to be measured at amortised cost.

The classification depends on the Group’s and the Company’s business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will be recorded either in profit or loss or OCI. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at FVOCI.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

##### (b) Recognition and derecognition

Regular purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.



## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Financial Assets (cont'd)**

#### Accounting policies applied from 1 January 2018 (cont'd)

(c) Measurement

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at FVTPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest (“SPPI”).

(i) Debt instruments

Subsequent measurement of debt instruments depends on the Group’s business model for managing the asset and the cash flow characteristics of the asset. There are two measurement categories into which the Group classifies its debt instruments:

- Amortised cost

Assets that are held for collection of contractual cash flows where those cash flows represent SPPI are measured at amortised cost. Interest income from these financial assets is included in other income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other income/expenses.

- FVTPL

Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVTPL. Fair value changes are recognised in profit or loss and presented in other gains/(losses) in the period in which it arises.

(ii) Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group’s management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group’s right to receive payments is established.

Changes in the fair value of financial assets at FVTPL are recognised in other gains/(losses) in the profit or loss as applicable.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Financial Assets (cont'd)**

#### Accounting policies applied from 1 January 2018 (cont'd)

(d) Impairment of financial assets

From 1 January 2018, the Group assesses on a forward looking basis the ECL associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. See Note 4(a)(iii) for further details.

Impairment losses on trade receivables are presented within “cost of sales” in the profit or loss. Impairment losses on other debt instruments at amortised cost are presented within “impairment losses” in the profit or loss.

#### Accounting policies applied until 31 December 2017

The Group has applied MFRS 9 retrospectively, but has elected not to restate comparative information. As a result, the comparative information provided continues to be accounted for in accordance with the Group’s previous accounting policy.

(a) Classification

The Group classified its financial assets in the following categories: at FVTPL, loans and receivables and available-for-sale. The classification depends on the nature of the asset and purpose for which the asset was acquired. The Group determines the classification of its financial assets at initial recognition.

(i) Financial assets at FVTPL

There are two subcategories: financial assets held for trading and those designated as at FVTPL on initial recognition. A financial asset is classified as held for trading if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months after the reporting date; otherwise, they are classified as non-current.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Financial Assets (cont'd)**

#### Accounting policies applied until 31 December 2017 (cont'd)

(a) Classification (cont'd)

(ii) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for those maturing more than 12 months after the reporting date which are classified as non-current assets. Loans and receivables are included in “trade and other receivables”, “other non-current assets”, “restricted cash”, “cash and cash equivalents” and intercompany balances in the statement of financial position (see accounting policy note on receivables).

(iii) Available-for-sale financial assets (“AFS”)

AFS are non-derivatives that are either designated in this category or not classified in any of the other categories. They are included in non-current assets unless management intends to dispose of the assets within 12 months after the reporting date.

(b) Recognition and measurement

Regular purchases and sales of financial assets are recognised on the trade-date, the date on which the Group commits to purchase or sell the asset. Investments are initially recognised at fair value plus transaction costs that are directly attributable to the acquisition of the financial assets for all financial assets not carried at FVTPL. Financial assets carried at FVTPL are initially recognised at fair value, and transaction costs are expensed in the profit or loss. AFS and financial assets at FVTPL are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Gains or losses arising from changes in the fair value of the “financial assets at FVTPL” category are presented in the profit or loss within other gains/(losses) in the financial year in which they arise. Dividend income from financial assets at FVTPL is recognised in the profit or loss as part of other income when the Group’s right to receive payments is established.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Financial Assets (cont'd)**

#### Accounting policies applied until 31 December 2017 (cont'd)

##### (b) Recognition and measurement (cont'd)

Changes in the fair value of monetary securities denominated in a foreign currency and classified as available-for-sale are analysed between translation differences resulting from changes in amortised cost of the security and other changes in the carrying amount of the security. The translation differences on monetary securities are recognised in the profit or loss and translation differences on non-monetary securities are recognised in OCI. Changes in the fair value of monetary and non-monetary securities classified as available-for-sale are recognised in OCI.

When securities classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in equity are included in the profit or loss as “gains/losses or impairment losses from AFS”.

Interest on available-for-sale securities calculated using the effective interest method is recognised in the profit or loss. Dividends on available-for-sale equity instruments are recognised in the profit or loss when the Group’s right to receive payments is established.

The fair values of quoted investments are based on current bid prices. If the market for a financial asset is not active (and for unlisted securities), the Group establishes fair value by using valuation techniques. These include the use of recent arm’s length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs and relying as little as possible on entity-specific inputs.

Financial assets are derecognised when the right to receive cash flows from the investments have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

##### (c) Impairment of financial assets

In prior years, the Group assessed impairment of financial assets based on incurred loss model. The Group assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. In the case of equity securities classified as available-for-sale, a significant or prolonged decline in the fair value of the security below its cost is taken as evidence that the securities are impaired. If any such evidence exists for AFS, the cumulative loss - measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss - is removed from equity and recognised in the profit or loss. Impairment losses recognised in the profit or loss on equity instruments classified as available-for-sale are not reversed through the profit or loss.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Intangible Assets**

#### **(a) Goodwill**

Goodwill arises on the acquisition of subsidiaries and represents the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired and liabilities assumed. If the aggregate of consideration transferred, the amount of non-controlling interest and the fair value of previously held interest in the acquiree are less than the fair value of the net identifiable assets of the acquiree, the resulting gain is recognised in the profit or loss. Goodwill is stated at cost less accumulated impairment losses. Impairment losses on goodwill are not reversed. Goodwill is allocated to cash-generating units for the purpose of annual impairment testing. The allocation is made to those cash generating units or groups of cash generating units that are expected to benefit from the business combination in which the goodwill arose.

#### **(b) Licences**

##### Casino licences - indefinite lives

The Group capitalises purchased casino licences. The amount capitalised is the difference between the price paid for a casino including the associated licence and the fair value of a similar property without a casino licence. Casino licences have indefinite useful lives as there is no foreseeable limit to the period over which the licences are expected to generate cash inflows. Each licence is reviewed annually for impairment and as such is stated at cost less any accumulated impairment losses.

##### Purchased licences - definite lives

The Group capitalises purchased licences. The licences, which have definite useful lives, are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. The cost is amortised using the straight-line method over its estimated useful lives of 30 to 40 years. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in the profit or loss when changes arise. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

##### Casino and theme park licences - Singapore

Casino and theme park licences are initially recognised at cost and subsequently carried at cost less accumulated amortisation and accumulated impairment losses. Such cost is amortised using the straight-line method over 3 to 30 years, which is the shorter of its economic useful life and periods of contractual right. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in the profit or loss when changes arise. Amortisation is recognised in the profit or loss unless the amount can be capitalised as part of construction-in-progress. Where an indication of impairment exists, the carrying amount of licence is assessed and written down immediately to its recoverable amount.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Intangible Assets (cont'd)**

#### (c) Trademarks

Trademarks are reviewed annually for impairment and are stated at cost less any accumulated impairment losses. Trademarks have an indefinite useful life as it is maintained through continuous marketing and upgrading. Trademarks are tested annually for impairment. Where an indication of impairment exists, the carrying amount of trademarks are assessed and written down immediately to its recoverable amount. See impairment policy note on impairment of non-financial assets for intangible assets.

#### (d) Research and development expenditure

Research expenditure is recognised as an expense when incurred. Costs incurred on development projects (relating to the design and testing of new or improved products) are recognised as intangible assets when the following criteria are fulfilled:

- (i) It is technically feasible to complete the intangible asset so that it will be available for use or sale;
- (ii) Management intends to complete the intangible asset and use or sell it;
- (iii) There is an ability to use or sell the intangible asset;
- (iv) It can be demonstrated that the intangible asset will generate probable future economic benefits;
- (v) Adequate technical, financial and other resources to complete the development and to use or sell the intangible asset are available; and
- (vi) The expenditure attributable to the intangible asset during its development can be reliably measured.

Collaborations and alliances are maintained with third parties for provision of research and development expertise and capacity in genomics for the achievement of performance milestones. Milestone payments are capitalised to the extent that the capitalisation criteria in MFRS 138 "Intangible Assets" are met. Judgement is involved in determining whether the amount paid meets the performance milestones so as to enable the amount to be capitalised as intangible assets.

Other development expenditures that do not meet these criteria are recognised as an expense when incurred. Development costs previously recognised as an expense are not recognised as an asset in a subsequent period. Capitalised development costs are recorded as intangible assets and amortised from the point at which the asset is ready for use or sale, on a straight-line basis over the estimated useful lives, not exceeding 20 years.

#### (e) Software development

Software development that does not form an integral part of other related hardware is treated as an intangible asset. Costs that are directly associated with development and acquisition of software development programmes by the Group are capitalised as intangible assets when the following criteria are met:

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Intangible Assets (cont'd)**

(e) Software development (cont'd)

- (i) It is technically feasible to complete the software product so that it will be available for use;
- (ii) Management intends to complete the software product and use or sell it;
- (iii) There is an ability to use or sell the software product;
- (iv) It can be demonstrated that the software product will generate probable future economic benefits;
- (v) Adequate technical, financial and other resources to complete the development and to use or sell the software product are available; and
- (vi) The expenditure attributable to the software product during its development can be reliably measured.

Direct costs include staff cost of the software development team and an appropriate portion of relevant overheads. Costs associated with maintaining software development programmes are recognised as an expense when incurred.

Expenditure that enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Completed software development programmes recognised as assets are amortised using the straight-line method over their estimated useful lives of 10 years. The amortisation period and amortisation method are reviewed at each reporting date. The effects of any revision are recognised in profit or loss when changes arise.

Software development programmes under development are not amortised.

See accounting policy note on impairment of non-financial assets for intangible assets.

### **Rights of Use of Oil and Gas Assets**

(a) Rights and concessions

Included in rights and concessions are purchase consideration that the Group has paid for the acquisition of working interest in contracts for petroleum exploration, development and production.

Rights and concessions are amortised according to the unit of production (“UOP”) method based on the proved and probable reserves of the fields, represented by the Group’s estimated entitlements to future production under the terms of the petroleum contracts.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Rights of Use of Oil and Gas Assets (cont'd)**

(b) Exploration cost

Oil and gas exploration cost is accounted for in accordance with the successful efforts method. Under this method, costs directly associated with an exploration well are capitalised when incurred and are accumulated in respect of each identifiable area of interest. These costs are carried as an asset when the well has found a sufficient quantity of reserves to justify its completion as a producing well and the Group is making sufficient progress assessing the reserves and the economic and operating viability of the project. Exploration costs not meeting these criteria are charged to expense. Other exploratory expenditures including geological and geophysical costs are expensed when incurred.

Exploration cost is stated at cost less any accumulated impairment losses. Where one or more of the following facts and circumstances exists, the carrying amount of the exploration cost is assessed and written down immediately to its recoverable amount.

- (i) the petroleum contract has expired during the period or will expire in the near future, and is not expected to be renewed;
- (ii) no further exploration and evaluation activities budgeted nor planned;
- (iii) exploration and evaluation activities in the specific area have not led to the discovery of commercially viable quantities of oil and gas and the Group has decided to discontinue such activities in the specific area;
- (iv) sufficient data exist to indicate that, although a development in the specific area is likely to proceed, the carrying amount of the exploration and evaluation asset is unlikely to be recovered in full from successful development or by sale.

When development plan is commercially viable and approved by the relevant authorities, the related exploration and evaluation costs are transferred to development costs – work-in-progress within the Rights of Use of Oil and Gas Assets. Development costs incurred in bringing an area of interest to commercial production is capitalised. Upon commencement of production, the exploration and development expenditure initially capitalised as development costs – work-in-progress are transferred to production wells and amortised as described in the accounting policy 3(c) below.



## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Rights of Use of Oil and Gas Assets (cont'd)**

(c) Production wells, related equipment and facilities

Production wells, related equipment and facilities are shown in the statement of financial position as Rights of Use of Oil and Gas Assets in recognition of the eventual ownership of production assets being vested in the government. Capitalisation is made within Rights of Use of Oil and Gas Assets according to the nature of the expenditure. These assets are stated at cost less accumulated depreciation, depletion and amortisation.

Completed production wells, related equipment and facilities are depleted according to the UOP method based on the proved and probable reserves of each field, represented by the Group's estimated entitlements to future production under the terms of the relevant petroleum contracts.

Construction in progress are not amortised until the assets are completed and transferred to production wells.

At each reporting date, the Group assesses whether there is any indication of impairment. If such indication exists, an analysis is performed to assess whether the carrying amount of asset is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

### **Inventories**

All inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less costs to completion and selling expenses.

(a) Land held for property development

Land held for property development consists of land on which no significant development work has been undertaken or where development activities are not expected to be completed within the normal operating cycle and such land is classified as non-current asset and is stated at the lower of cost and net realisable value.

Cost comprises cost of land and all related costs incurred on activities necessary to prepare the land for its intended use.

Land held for property development is transferred to property development costs and included under current assets when development activities have commenced and where the development activities can be completed within the normal operating cycle.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Inventories (cont'd)**

(b) Property development costs

Property development costs comprise costs associated with the acquisition of land and all costs directly attributable to development activities or costs that can be allocated on a reasonable basis to these activities.

Property development costs are stated at the lower of cost and net realisable value. The property development costs are subsequently recognised as an expense in profit or loss as and when the control of the development unit is transferred to the customer.

(c) Completed development properties

The cost of unsold completed properties comprise cost associated with the acquisition of land, direct costs and an appropriate proportion of allocated costs attributable to property development activities.

(d) Produce stocks, stores and spares, raw materials and consumables, food, beverages and other hotel supplies

Cost includes, where relevant, appropriate proportions of overheads and is determined on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less costs of completion and the estimated costs necessary to make the sale.

### **Produce growing on bearer plants**

The produce growing on bearer plants of the Group comprises fresh fruit bunches (“FFB”) prior to harvest. The produce growing on bearer plants are measured at fair value less costs to sell (“FVLCTS”). Any gains or losses arising from changes in the FVLCTS are recognised within cost of sales in profit or loss. The fair value of unharvested FFB is determined by using the market approach, which takes into consideration the market prices of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell.

### **Non-Current Assets Held for Sale**

Non-current assets are classified as assets held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are stated at the lower of carrying amount and FVLCTS.

An impairment loss is recognised for any initial or subsequent write-down of the asset to FVLCTS. A gain is recognised for any subsequent increases in FVLCTS of an asset, but not in excess of any cumulative impairment loss previously recognised. A gain or loss not previously recognised by the date of the sale of the non-current asset is recognised at the date of derecognition.

Non-current assets are not depreciated or amortised while they are classified as held for sale. Interest and other expenses attributable to the liabilities classified as held for sale continue to be recognised.

Non-current assets classified as held-for-sale are presented separately from the other assets in the statement of financial position. The liabilities classified as held for sale are presented separately from other liabilities in the statement of financial position.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Cash and Cash Equivalents**

Cash and cash equivalents include cash and bank balances (net of bank overdrafts), money market instruments, deposits and other short term, highly liquid investments that are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Bank overdrafts are included within short term borrowings in current liabilities in the statements of financial position.

### **Payables**

Payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

### **Finance Leases**

#### **(a) Accounting for Lessee**

Leases of property, plant and equipment where the Group, as lessee, assumes substantially all the benefits and risks of ownership are classified as finance leases.

Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property and the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant periodic rate of interest on the balance outstanding. The corresponding rental obligations, net of finance charges, are included in borrowings. The interest element of the finance charge incurred on qualifying assets are capitalised until the assets are ready for their intended use after which such expense is charged to the profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Property, plant and equipment acquired under finance lease is depreciated over the shorter of the estimated useful life of the asset and the lease term if there is no reasonable certainty that the Group will obtain ownership at the end of the lease term.

#### **(b) Accounting for Lessor**

When assets are leased out under a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is recognised over the term of the lease using the net investment method so as to reflect a constant periodic rate of return on the balance outstanding.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Operating Leases**

(a) Accounting for Lessee

Leases where a significant portion of the risks and rewards of ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are charged to the profit or loss on a straight-line basis over the period of the lease.

(b) Accounting for Lessor

Leases where the Group retains substantially all risks and rewards of ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

Lease incentives are recognised as other receivables where such incentives are provided by the Group and recognised net of lease income in profit or loss over the lease term on the same basis as the lease income. Contingent rents are recognised as income in profit or loss when earned.

### **Share Capital**

Ordinary shares are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another entity or to exchange financial assets or liabilities with another entity that are potentially unfavourable to the issuer.

Incremental costs directly attributable to the issue of new shares, warrants, options or for the acquisition of a business are shown in equity as a deduction, net of tax, from the proceeds.

The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Treasury Shares**

A purchase by the Company of its own equity shares is accounted for under the treasury stock method. Under this method, the shares purchased and held as treasury shares is measured and carried at the cost of purchase (including any directly attributable incremental external costs, net of tax). On presentation in the statements of financial position, the carrying amount of the treasury shares is offset against equity. Where treasury shares are distributed as share dividends, the cost of the treasury shares is applied in the reduction of the distributable reserves. Where treasury shares are reissued by re-sale in the open market, the difference between the sales consideration and the carrying amount of the treasury shares is shown as a movement in equity. As treasury shares, the rights attached to voting, dividends and participation in other distribution are suspended.

### **Perpetual Capital Securities**

Perpetual capital securities are classified as equity when there is no contractual obligation to deliver cash or other financial assets to another person or entity or to exchange financial assets or financial liabilities with another person or entity that are potentially unfavourable to the issuer. Incremental costs directly attributable to the issuance of new perpetual capital securities are shown in equity as a deduction, net of tax, from the proceeds. The proceeds received net of any directly attributable transaction costs are credited to perpetual capital securities. The perpetual capital securities had been fully redeemed in 2017.

### **Warrants Reserve**

Proceeds from the issuance of warrants, net of issuance costs, are credited to warrants reserve. Warrants reserve is transferred to the share capital upon the exercise of the warrants. Warrants reserve in relation to unexercised warrants at the expiry of the warrants period is transferred to retained earnings.

### **Borrowings**

Borrowings are recognised initially at fair value, net of transaction costs incurred. Subsequently, borrowings are stated at amortised cost using the effective interest method. Any difference between the amount recorded as borrowings and the associated redemption value is recognised in the profit or loss over the period of the borrowings.

Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan and are capitalised and amortised over the period of the facility to which it relates.

All other borrowing costs are charged to profit or loss.

Borrowings are derecognised from the statements of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of the borrowings that have been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred and liabilities assumed, is recognised in profit or loss.

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Borrowings (cont'd)**

Interest income earned from specific borrowings which are invested temporarily pending the utilisation of such borrowings on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

#### Accounting policies applied from 1 January 2018

Any gain or loss, being the difference between the original contractual cash flows and the modified cash flows discounted at the original effective interest rate of borrowings measured at amortised cost and modified without resulting in derecognition shall be recognised immediately in profit or loss.

#### Accounting policies applied until 31 December 2017

The difference arising from the modifications of borrowings, if any, measured at amortised cost without resulting in the extinguishment of the original borrowings are amortised in profit or loss over the remaining life of the modified borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least twelve months after the end of the reporting date.

### **Financial Guarantee Contracts**

Financial guarantee contracts are contracts that require the Group to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due. Financial guarantee contracts are recognised initially at fair value.

#### Accounting policies applied from 1 January 2018

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with the ECL model under MFRS 9 “Financial Instruments” and the amount initially recognised less cumulative amount of income recognised in accordance with the principles of MFRS 15 “Revenue from Contracts with Customers”, where appropriate.

#### Accounting policies applied until 31 December 2017

Financial guarantee contracts are subsequently measured at the higher of the amount determined in accordance with MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets” and the amount initially recognised less cumulative amortisation, where appropriate.

### **Impairment of Non-Financial Assets**

The carrying amounts of non-financial assets other than inventories, assets arising from construction contracts, property development activities, deferred tax assets and non-current assets classified as held for sale are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. If such indication exists, an impairment review is performed to assess whether the carrying amount of the asset is fully recoverable.

Irrespective of whether there is any indication of impairment, the Group also:

- (a) tests intangible assets with indefinite useful life for impairment annually by comparing its carrying amount with its recoverable amount; and
- (b) tests goodwill acquired in a business combination for impairment annually.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Impairment of Non-Financial Assets (cont'd)**

Impairment loss is recognised when the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and its value in use, which is measured by reference to discounted future cash flows. Recoverable amounts are estimated for individual assets, or if it is not possible, for the cash generating unit.

An impairment loss is charged to the profit or loss.

Non-financial assets other than goodwill that have suffered impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss is reversed only to the extent of previously recognised impairment losses for the same asset. An impairment loss recognised for goodwill shall not be reversed.

### **Contingent Liabilities and Contingent Assets**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability. A contingent liability is disclosed, unless the possibility of an outflow of resource embodying economic benefit is remote. When a change in the probability of an outflow of economic resources occurs and the outflow is probable, it will then be recognised as a provision. However, contingent liabilities do not include financial guarantee contracts.

A contingent asset is a possible asset that arises from past events whose existence will be confirmed by uncertain future events beyond the control of the Group. The Group does not recognise contingent assets but discloses their existence where inflows of economic benefits are probable, but not virtually certain. When inflow of economic resources is virtually certain, the asset is recognised.

In the acquisition of subsidiaries by the Group under a business combination, the contingent liabilities assumed are measured initially at their fair value at the acquisition date, irrespective of the extent of any non-controlling interests.

The Group recognises separately the contingent liabilities of the acquirees as part of allocating the cost of a business combination where the fair values can be measured reliably. Where the fair values cannot be measured reliably, the resulting effect will be reflected in the goodwill arising from the acquisitions.

Subsequent to the initial recognition, the Group measures the contingent liabilities that are recognised separately at the date of acquisition at the higher of the amount that would be recognised in accordance with MFRS 137 "Provisions, Contingent Liabilities and Contingent Assets" and the amount initially recognised less, when appropriate, cumulative amortisation recognised in accordance with MFRS 15 "Revenue from Contracts with Customers".

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Provisions**

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation.

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits received under it.

Where the Group expects a provision to be reimbursed by another party, the reimbursement is recognised as a separate asset but only when the reimbursement is virtually certain.

### **Asset Retirement Obligations – oil and gas**

Asset retirement obligations (including future decommissioning and restoration) which meet the criteria of provisions are recognised as provisions and the amount recognised is the present value of the estimated future expenditure determined in accordance with local conditions and requirements, while a corresponding addition to the related oil and gas assets of an amount equivalent to the provision is also created. This is subsequently amortised as part of the costs of the Rights of Use of Oil and Gas Assets. Interest expense from asset retirement obligations for each period are recognised using the effective interest method over the useful life of the related oil and gas assets.

### **Income Taxes**

Current taxation is determined according to the tax laws of each jurisdiction in which the Group operates and includes all taxes based upon the taxable income and is measured using the tax rates which are applicable at the reporting date.

Deferred tax liabilities and/or assets are recognised, using liability method, on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their related tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting profit nor taxable profit or loss. Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deferred tax assets can be utilised. Deferred tax liability in respect of asset revaluations is also recognised. Deferred tax liabilities and assets are measured at the tax rates that have been enacted or substantively enacted by the reporting date and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax is recognised on temporary differences arising on investments in subsidiaries, joint ventures and associates except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Income Taxes (cont'd)**

Deferred and current tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax assets and liabilities relate to taxes levied by the same taxation authority on either the taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

Tax benefits from investment tax allowance and customised incentive granted under the East Coast Economic Region are recognised when the tax credit is utilised and no deferred tax asset is recognised on the unutilised tax benefits.

### **Employee Benefits**

#### **(a) Short-Term Employee Benefits**

Short-term employee benefits include wages, salaries, bonus, social security contributions and paid annual leave. These benefits are accrued when incurred and are measured on an undiscounted basis.

#### **(b) Post-Employment Benefits**

Post-employment benefits include defined contribution plans under which the Group pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. These benefits are accrued when incurred and are measured on an undiscounted basis.

#### **(c) Long-Term Employee Benefits**

Long-term employee benefits include retirement gratuities payable under a retirement gratuity scheme which was established in 1991 by the Board of Directors for Executives and Executive Directors of the Company and certain subsidiaries. The level of retirement gratuities payable is determined by the Board of Directors in relation to services rendered and it does not take into account the employee's performance to be rendered in later years up to retirement and the gratuity is a vested benefit when the employee reaches retirement age.

The present value of the retirement gratuities is determined by discounting the amount payable by reference to market yields at the reporting date on high quality corporate bonds which have terms to maturity approximating the terms of the related liability. Employee turnover is also factored in arriving at the level of the retirement gratuities payable. Past-service costs are recognised immediately in the profit or loss.

Such retirement gratuities payable are classified as current liabilities where it is probable that a payment will be made within the next twelve months and also provided that the amount has been approved for payment by the Board of Directors.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Employee Benefits (cont'd)**

#### **(d) Share-based Compensation**

For equity-settled, share-based compensation plan, the fair value of employee services rendered in exchange for the grant of the shares and/or options is recognised as an expense with a corresponding increase in equity over the vesting period. The total amount to be expensed in the income statement over the vesting period is determined by reference to the fair value of shares and/or options granted at the grant date and the number of shares and/or options vested by vesting date, excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the estimates of the number of shares and/or options that are expected to become vested and/or exercisable. At each reporting date, the respective companies will revise its estimates of the number of shares and/or options that are expected to be vested and it recognises the impact of this revision in the income statement with a corresponding adjustment to equity. After the vesting date, no adjustment to the income statement is made. For performance shares that are expected to be granted, due to services received before grant date, the total amount to be recognised over the vesting period is determined by reference to the fair value of the performance shares at the end of the reporting period, until the date of grant has been established.

The proceeds received net of any directly attributable transaction costs are credited to share capital and share premium when the options are exercised. For share-based compensation plan implemented by a subsidiary, the proceeds are credited in equity as transactions with owners.

Where the terms of a share-based compensation plan are modified, the expense that has yet to be recognised for the award is recognised over the remaining vesting period as if the terms had not been modified. Additional expense is recognised for any increase in the total fair value of the share and/or options due to the modification, as measured at the date of the modification.

### **Revenue Recognition**

The Group's activities arise mainly from leisure and hospitality, plantations, power, property, oil and gas and investments and others. Revenue from each business segment is recognised as follows:

#### **(a) Leisure and hospitality**

##### **(i) Gaming revenue**

Gaming revenue represents net house takings, which is the aggregate of wins and losses arising from gaming play. Revenue is reported after deduction of goods and services tax or service tax, rebates and services provided by non-gaming operations on a complimentary basis. The casino licence in Malaysia is renewable every three months.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Revenue Recognition (cont'd)**

(a) Leisure & Hospitality (cont'd)

(ii) Non-gaming revenue

Non-gaming revenue mainly includes:

i) Hotel room revenue

Hotel room revenue is recognised when service is rendered to the customer over their stay at the hotel. The transaction price is the net amount collected from the customer. Advance deposits on hotel rooms are recorded as customer deposits (i.e. contract liability) until services are provided to the customer.

ii) Food and beverage, entertainment and attractions and retail sales

Revenue from the sale of goods or services is recognised when the food and beverage, entertainment and attractions and retail goods is delivered, rendered or control transferred to the customer. Payment of the transaction price is due immediately when the customer purchases the food and beverage or retail goods. Advance ticket sales for entertainment and attractions are recorded as customer deposits (i.e. contract liability) until services are rendered to the customer.

iii) Tenancy revenue

Tenancy revenue (including maintenance and upkeep services) from retail outlets, net of any incentives given to the lessee, is recognised on a straight-line basis over the period of the respective lease terms.

iv) Transportation revenue

Transportation revenue from the provision of taxi, bus and aviation services are recognised upon performance of services.

v) Timeshare membership fees

Timeshare membership fees from the operation of time share ownership scheme are received upfront and recorded as deferred income (i.e. contract liability) and recognised on a straight-line basis over the tenure of the memberships offered.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Revenue Recognition (cont'd)**

#### **(b) Plantations and Downstream Manufacturing**

The Group's plantation revenue is derived mainly from its upstream and downstream operations.

In the upstream operations, the Group sells plantation produce such as crude palm oil, palm kernel and FFB (collectively known as "plantation produce"). In the downstream operations, revenue is derived from sales of Refined Bleached Deoderised Palm Oil, Olein, Stearin, biodiesel and Crude Glycerin (collectively known as "biodiesel and refined palm products").

Revenue from sales of plantation produce, biodiesel and refined palm products are recognised net of discount and taxes collected on behalf at the point when the control of goods has been transferred to the customer. Based on the terms of the contract with the customer, control transfers upon delivery of the goods to a location specified by the customer and the acceptance of the goods by the customer.

There is no element of financing present as the Group's sales of goods are either on cash terms (including cash on delivery ("COD") for export) or on credit terms ranging from 7 to 45 days. The Group's obligation to provide quality claims against off-spec goods under the Group's contractual terms is recognised as a provision.

Revenue from provision of tolling services is recognised in the period in which the manufacturing activities are performed. There is no element of financing present as sales are normally on COD basis.

#### **(c) Power**

The Group's generation and supply of electric power activities are carried out based on power purchase agreements with the provincial or national electricity utility companies in the respective countries in which the Group operates.

##### **(i) Sale of electricity**

The Group's generation and supply of electric power activities are carried out based on power purchase agreements with the provincial or national electricity utility companies in the respective countries in which the Group operates.

Revenue from sale of electricity is recognised over time upon delivery of the electricity to the customer at a single point within the electricity grid. No element of financing is deemed present as the sales are made with specified credit terms. A receivable is recognised when electricity is delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before payment is due.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Revenue Recognition (cont'd)**

#### (c) Power (cont'd)

##### (ii) Revenue from service concession arrangement

The Group's responsibilities under a Power Purchase Agreement signed with PT. Perusahaan Listrik Negara (Persero) ("PLN") on 10 July 2012 comprise the design, engineering, financing, construction, testing, commissioning, ownership, operation, management and maintenance of the 660MW coal-fired power plant in Banten, Indonesia ("Banten Power Plant"). The Group has determined that the Power Purchase Agreement is within the scope of IC Interpretation 12 "Service Concession Arrangements" and the service concession arrangement should be accounted for under the financial assets model as the Group's power plant in Indonesia has a contractual right to receive a specified or determinable amount of cash from PLN for the construction services.

The Group recognised construction revenue over time as the power plant being constructed has no alternative use to the Group. The stage of completion is measured using the output method, which is based on the level of completion of the physical proportion of contract work to date, certified by professional consultants. Contract asset from service concession arrangement is presented within "other non-current receivables" and "trade and other receivables" on the statements of financial position.

Capacity payment represents finance income on the service concession receivable that contain a significant financing component subsequent to the commencement of commercial operation of the power plant in Banten, and is recognised using the effective interest method.

#### (d) Property

##### (i) Property development

Contracts with customers may include multiple promises to customers and are therefore accounted for as separate performance obligations. In this case, the transaction price will be allocated to each separate performance obligation based on the stand-alone selling prices. When these are not directly observable, they are estimated based on expected cost plus margin.

The revenue from property development is measured at the fixed transaction price agreed under the Sale and Purchase Agreement ("SPA"). When the Group determines that it is not probable that the Group will collect the consideration to which the Group is entitled to in exchange for the properties, the Group will defer the recognition of revenue from such sales of properties and consideration received from the customer is recognised as a contract liability. For such properties, the Group recognises revenue when it becomes probable that the Group will collect consideration to which it will be entitled to in exchange for the properties sold.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Revenue Recognition (cont'd)**

#### (d) Property (cont'd)

##### (i) Property development (cont'd)

Revenue from property development is recognised as and when the control of the asset is transferred to the customer. Depending on the terms of the contract and the laws that apply to the contract, control of the asset may transfer over time or at a point in time. Control of the asset is transferred over time if the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for work performance completed to-date.

The promised properties are specifically identified by its plot, lot and parcel number and its attributes (such as its size and location) as attached in its layout plan in the SPA. The purchasers could enforce its rights to the promised properties if the Group seeks to sell the unit to another purchaser. The contractual restriction on the Group's ability to direct the promised property for another use is substantive and therefore the promised properties sold to the purchasers do not have an alternative use to the Group. The Group has the right to payment for performance completed to-date, is entitled to continue to transfer to the customer the development units promised, and has the right to complete the construction of the properties and enforce its rights to full payment.

If control of the asset transfers over time, revenue is recognised over the period of the contract by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the asset.

The Group recognises revenue over time using the input method, which is based on the contract costs incurred to-date to the estimated total costs for the contract.

For sale of completed properties, the Group recognises revenue when the control of the properties has been transferred to the purchasers, being when the properties have been handed over to the purchasers (i.e. upon delivery of vacant possession).

##### (ii) Rental income

Rental income from operating leases (net of any incentives given to the lessee) is recognised in profit or loss on a straight-line basis over the lease terms.

#### (e) Oil and Gas

##### Sales of crude oil

Revenue from the sale of crude oil, net of taxes, is recognised when control of the oils has been transferred to the customer and there is no unfulfilled obligation that could affect the customer's acceptance of the crude oils. Delivery occurs when the crude oil has been delivered to the delivery point. No element of financing is deemed present as the sales are made with a specified credit term. A receivable is recognised when the crude oil is delivered as this is the point in time when the consideration is unconditional as only the passage of time is required before the payment is due.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Revenue Recognition (cont'd)**

(f) Investments and others

(i) Investment and interest income

Investment and interest income are recognised using the effective interest method.

Investment and interest income from financial assets at FVTPL are recognised as part of net gains or net losses on these financial instruments.

Interest income on financial assets at amortised cost and financial assets at FVOCI (2017: AFS debt securities) is recognised as part of other income in the profit or loss, using the effective interest method.

#### Accounting policies applied from 1 January 2018

Investment and interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset except for financial assets that subsequently become credit-impaired. For credit-impaired financial assets, the effective interest rate is applied to the net carrying amount (after deduction of the loss allowance).

#### Accounting policies applied until 31 December 2017

When a financial asset is impaired, the Group reduces the carrying amount to its recoverable amount, being the estimated future cash flow discounted at the original effective interest rate of the instrument, and continues unwinding the discount as interest income. Interest income on impaired loan and receivables are recognised using the original effective interest rate.

(ii) Dividend income

Dividend income is recognised as revenue in profit or loss when the right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

Dividend income that are not generated as part of the Group's and the Company's principal activities are classified as other income.

From 1 January 2018, dividends on equity instruments designated as FVOCI that clearly represent a recovery of part of the cost of investment are presented in OCI.

(iii) Management and licensing services

Fees from management and licensing services are recognised in the period in which the services are rendered.

(iv) Other services

Revenue from other services includes utilities and IT services and is recognised upon performance of services.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Loyalty program**

The Group operates a loyalty program known as Genting Rewards Programme. Genting Rewards members can earn points primarily based on gaming activity and non-gaming activities such as spending on hotel room, food and beverages, retail, transports and others. Such points can be redeemed for free play and other goods and services such as transportation, hotel room, food and beverages, retail and others.

The Group accrues for Genting Rewards points liability earned from gaming activities as a casino expense and non-gaming activities as an allocation of a portion of the revenue from contracts based on the stand-alone selling price of the goods or services expected to be redeemed. The estimation takes into consideration the expected free play or free goods and services to be redeemed and history of expiration of unused points results in a reduction of points liability. Redemption of Genting Rewards points at third party outlets are deducted from provision for points liability and amounts owed are paid to the third party.

### **Dividends**

Dividends on ordinary shares are accounted for in shareholders' equity as an appropriation of retained earnings and accrued as a liability in the financial year in which the obligation to pay is established.

### **Government Grant**

Government grants related to assets are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant and are then recognised in profit or loss as other income on a systematic basis over the useful life of the assets when the assets are commissioned.

Government grants relating to expenses are presented as a deduction of the related expense.

### **Foreign Currency Translation**

#### **(a) Functional and presentation currency**

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The consolidated financial statements are presented in Ringgit Malaysia ("RM"), which is the Company's functional and presentation currency.

#### **(b) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are remeasured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the profit or loss, except when deferred in equity as qualifying cash flow hedges and qualifying net investment hedges.

Translation differences on non-monetary financial assets and liabilities such as equities held at FVTPL are recognised in profit or loss as part of the fair value gain or loss. Translation differences on non-monetary financial assets such as equities classified as FVOCI or AFS are included in foreign exchange and other reserves as OCI.



## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Foreign Currency Translation (cont'd)**

#### (c) Group companies

On consolidation, the results and financial position of all the Group's entities which have a functional currency different from that of the Group's presentation currency are translated into the Group's presentation currency as follows:

- (i) assets and liabilities are translated at the closing rate at the reporting date;
- (ii) income and expenses in profit or loss are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the dates of the transactions); and
- (iii) all resulting exchange differences are recognised as a separate component of OCI.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations, and of borrowings and other financial instruments designated as hedges of such investments, are taken to OCI. When a foreign operation is partially disposed of or sold, such exchange differences that were recorded in equity are recognised in the profit or loss as part of the gain or loss on disposal.

Intercompany loans where the settlement is neither planned nor likely to occur in the foreseeable future, are treated as part of the parent's net investment and translation differences arising therefrom are recognised in OCI.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate. Exchange differences arising are recognised in OCI.

### **Derivative Financial Instruments and Hedging Activities**

Derivative financial instruments are initially recognised at fair value on the date the derivative contract is entered into and are subsequently remeasured at their fair value at the end of each reporting period. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Fair value changes on derivative that are not designated or do not qualify for hedge accounting are recognised in profit or loss within other gains/(losses) on derivative financial instruments when the changes arise.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, of whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Derivative Financial Instruments and Hedging Activities (cont'd)**

The fair value changes on the effective portion of interest rate swaps or other derivatives that are designated and qualify as cash flow hedges are recognised in the cash flow hedge reserve and reclassified to the profit or loss when the interest expense on the borrowings is recognised in the profit or loss unless the amount transferred can be capitalised as part of the cost of a self-constructed asset, in which case, both the reclassification and interest expense are capitalised. The fair value changes on the ineffective portion are recognised immediately in the profit or loss.

When a hedging instrument expires or is sold or is terminated, or when the cash flow hedge is discontinued or when a hedge no longer meets the criteria for hedge accounting, any cumulative gain or loss existing in equity at that time remains in equity and is only transferred to profit or loss when the forecast transaction is ultimately recognised in the profit or loss. When a forecast transaction is no longer expected to occur, the cumulative gain or loss that was reported in cash flow hedge reserve is immediately transferred to the profit or loss within other gains/(losses) on derivative financial instruments.

The carrying amount of the derivative designated as a hedge is presented as a non-current asset or liability if the remaining expected life of the hedged item is more than 12 months, otherwise it will be classified as a current asset or liability.

### **Contract assets/liabilities**

Contract asset is the right to consideration for goods or services transferred to the customers when that right is conditioned on something other than the passage of time. In the case of property development and service concession arrangement, contract asset is the excess of cumulative revenue earned over the billings to-date, for which the billings to customers are based on progress milestones set out in SPA with the customers. Contract asset include the right to consideration for the provision of utility services to customers. See Note 4(a)(iii) for impairment of contract assets.

Contract liability is the obligation to transfer goods or services to customer for which the Group has received the consideration in advance. In the case of property development and service concession receivables, contract liability is the excess of the billings to-date over the cumulative revenue earned. Contract liabilities include timeshare membership fees, advance collections from customers and other deferred income where the Group has collected the payment before the goods are delivered or services are provided to the customers.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Segmental Reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-makers. The chief operating decision-makers, who are responsible for allocating resources and assessing performance of the operating segments, have been identified as the Chairman and Chief Executive and the President and Chief Operating Officer of the Company.

## **4. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES**

### **(a) Financial risk factors**

The Group's overall financial risk management objective is to optimise the value creation for shareholders. The Group seeks to minimise the potential adverse impacts arising from fluctuations in foreign currency exchange and interest rates and the unpredictability of the financial markets.

The Group operates within clearly defined guidelines that are approved by the Board of Directors. Financial risk management is carried out through risk reviews conducted at all significant operating units. This process is further enhanced by effective internal controls, a comprehensive insurance programme and adherence to the financial risk management policies.

The main areas of financial risks faced by the Group are as follows:

#### **(i) Foreign currency exchange risk**

The Group is exposed to foreign currency exchange risk when the Company and its subsidiaries enter into transactions that are not denominated in their functional currencies. The Group attempts to significantly limit its exposure for committed transactions by entering into forward foreign currency exchange contracts and cross currency swap within the constraints of market and government regulations.

The Group's principal foreign currency exposure relates mainly to the Singapore Dollar ("SGD"), United States Dollar ("USD"), Hong Kong Dollar ("HKD") and Indonesia Rupiah ("IDR").

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(i) Foreign currency exchange risk (cont'd)**

The Group's exposure to foreign currencies in respect of its financial assets and financial liabilities as at the reporting date is as follows:

	SGD	USD	HKD	IDR	Others	Total
<b>At 31 December 2018</b>						
<b>Financial assets</b>						
Financial assets at FVOCI	-	196.9	0.5	-	-	197.4
Financial assets at FVTPL	-	322.7	-	-	-	322.7
Other non-current assets	-	69.2	-	-	-	69.2
Trade and other receivables	2.2	20.5	-	113.1	2.1	137.9
Amount due from joint venture	-	279.7	-	-	-	279.7
Restricted cash	-	-	-	-	171.4	171.4
Cash and cash equivalents*	55.0	1,271.0	43.9	40.7	8.9	1,419.5
	<u>57.2</u>	<u>2,160.0</u>	<u>44.4</u>	<u>153.8</u>	<u>182.4</u>	<u>2,597.8</u>
<b>Financial liabilities</b>						
Trade and other payables	(0.6)	(41.6)	(0.2)	(133.6)	(10.5)	(186.5)
Derivative financial instruments	(17.4)	-	-	-	-	(17.4)
Borrowings	(203.0)	(265.8)	-	-	-	(468.8)
	<u>(221.0)</u>	<u>(307.4)</u>	<u>(0.2)</u>	<u>(133.6)</u>	<u>(10.5)</u>	<u>(672.7)</u>
<b>Net currency exposure</b>	<u>(163.8)</u>	<u>1,852.6</u>	<u>44.2</u>	<u>20.2</u>	<u>171.9</u>	<u>1,925.1</u>
<b>At 31 December 2017</b>						
<b>Financial assets</b>						
Available-for-sale financial assets	-	315.1	0.4	-	-	315.5
Other non-current assets	-	1,328.7	-	-	-	1,328.7
Trade and other receivables	0.1	23.9	-	99.1	0.3	123.4
Restricted cash	-	-	-	-	164.8	164.8
Cash and cash equivalents*	63.0	3,585.7	253.1	59.1	24.0	3,984.9
	<u>63.1</u>	<u>5,253.4</u>	<u>253.5</u>	<u>158.2</u>	<u>189.1</u>	<u>5,917.3</u>
<b>Financial liabilities</b>						
Trade and other payables	(1.2)	(39.2)	-	(107.8)	(11.7)	(159.9)
Derivative financial instruments	(14.4)	-	-	-	-	(14.4)
Borrowings	(215.1)	(707.3)	-	-	-	(922.4)
	<u>(230.7)</u>	<u>(746.5)</u>	<u>-</u>	<u>(107.8)</u>	<u>(11.7)</u>	<u>(1,096.7)</u>
<b>Net currency exposure</b>	<u>(167.6)</u>	<u>4,506.9</u>	<u>253.5</u>	<u>50.4</u>	<u>177.4</u>	<u>4,820.6</u>

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(i) Foreign currency exchange risk (cont'd)**

	SGD	USD	HKD	IDR	Others	Total
<b>At 1 January 2017</b>						
<b>Financial assets</b>						
Available-for-sale financial assets	-	-	0.5	-	-	0.5
Other non-current assets	-	1,189.9	-	-	-	1,189.9
Trade and other receivables	0.5	28.5	0.8	11.4	3.8	45.0
Derivative financial instruments	1.9	115.5	-	-	-	117.4
Cash and cash equivalents	287.3	4,310.0	265.9	75.3	39.5	4,978.0
	<u>289.7</u>	<u>5,643.9</u>	<u>267.2</u>	<u>86.7</u>	<u>43.3</u>	<u>6,330.8</u>
<b>Financial liabilities</b>						
Trade and other payables	(0.1)	(61.6)	(0.4)	(27.8)	(121.6)	(211.5)
Derivative financial instruments	(60.6)	(10.9)	-	-	-	(71.5)
Other non-current liabilities	-	(10.5)	-	-	-	(10.5)
Borrowings	(198.8)	(763.2)	-	-	-	(962.0)
	<u>(259.5)</u>	<u>(846.2)</u>	<u>(0.4)</u>	<u>(27.8)</u>	<u>(121.6)</u>	<u>(1,255.5)</u>
<b>Net currency exposure</b>	<u>30.2</u>	<u>4,797.7</u>	<u>266.8</u>	<u>58.9</u>	<u>(78.3)</u>	<u>5,075.3</u>

\* Cash and cash equivalents of RM3,983.5 million (31 December 2017: RM5,488.9 million; 1 January 2017: Nil) denominated in USD and arising from a subsidiary whose functional currency is SGD were not shown in the table above. This exposure to foreign exchange risk arising from cash and cash equivalents was offset by similar exposure from the subsidiary's corresponding USD inter-company loan. As a result, the Group's net exposure to foreign exchange risk had been minimised.

The following table demonstrates the sensitivity of the Group's profit after tax and equity to 2% (2017: 10%) strengthening of each currency respectively in SGD, USD, HKD and IDR against the respective functional currencies of the entities within the Group, with all other variables held constant.

<b>31 December 2018</b>	<---- Increase/(Decrease) ---->	
	<b>Profit after tax</b>	<b>OCI</b>
<b>Group</b>		
SGD	(3.3)	-
USD	33.2	3.9
HKD	0.9	-
IDR	0.4	-
	<u>30.2</u>	<u>3.9</u>
<b>31 December 2017</b>		
<b>Group</b>	<---- Increase/(Decrease) ---->	
	<b>Profit after tax</b>	<b>OCI</b>
SGD	(16.8)	-
USD	419.2	31.5
HKD	25.4	-
IDR	5.0	-
	<u>402.8</u>	<u>31.5</u>

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)**

### **(a) Financial risk factors (cont'd)**

#### **(i) Foreign currency exchange risk (cont'd)**

A 2% (2017: 10%) weakening of the above currencies against the respective functional currencies of the entities within the Group would have the equal but opposite effect to the amount shown above, on the basis that all other variables remain constant.

The Company's principal foreign currency exposure relates mainly to cash and cash equivalents of RM50.1 million (2017: RM53.6 million) which is denominated in USD and amount due to a subsidiary of RM0.2 million (2017: RM0.2 million) which is denominated in SGD. At the reporting date, if exchange rate of USD had been 2% (2017: 10%) stronger/weaker, with all other variables remaining constant, the profit after tax of the Company will be higher/lower by RM1.0 million (2017: RM5.4 million). The impact of a 2% change on the SGD is not material as the exposure to SGD is not significant (2017: Nil).

#### **(ii) Interest rate risk**

Interest rate risks arise mainly from the Group's borrowings and debt securities classified as financial assets at FVTPL. Borrowings issued at variable rates expose the Group to cash flow interest rate risk. The Group manages its cash flow interest rate risk by using floating-to-fixed interest rate swaps. Such interest rate swaps have the economic effect of converting the borrowings from floating rates to fixed rates. Under the interest rate swaps, the Group agrees with financial institutions to exchange, at specified intervals, the difference between the fixed contract rates and floating-rate interest amounts calculated by reference to the agreed notional principal amounts. There are no significant cash flow interest rate risks arising from debt securities classified as financial assets at FVTPL.

The Group's outstanding borrowings as at the year end at variable rates on which hedges have not been entered into are denominated mainly in SGD, USD and RMB. At the reporting date, if annual interest rates had been 1% (2017: 1%) higher/lower respectively, with all other variables in particular foreign exchange rates and including tax rate being held constant, the profit after tax will be lower/higher by RM63.5 million (2017: RM77.7 million) as a result of increase/decrease in interest expense on these borrowings.

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

### (a) Financial risk factors (cont'd)

#### (iii) Credit risk

##### Risk management

The Group's exposure to credit risk arises mainly from sales made on deferred credit terms, cash and cash equivalents, deposits with financial institutions, money market instruments, income fund and debt instruments carried at amortised cost. The Company's exposure to credit risk arises from amounts due from subsidiaries, cash and cash equivalents and deposits with banks and financial institutions. Risks arising therefrom are minimised through:

- Effective monitoring of receivables and suspension of sales to customers whose accounts exceed the stipulated credit terms.
- Setting credit limits and reviewing credit history to minimise potential losses.
- Ensuring that the Group remains as the registered owner of the development properties (in respect of the Group's sale of development properties) until full settlement by the purchaser of the self-financed portion of the purchase consideration and upon obtaining the undertaking from the purchaser's end-financier.
- Investing cash assets safely and profitably, which involves placement of cash and cash equivalents and short-term deposits with creditworthy financial institutions. In addition, the Group and the Company set exposure limits as well as limit placement tenures to less than one year for each of the financial institutions.
- Assessment of counterparty's credit risks and setting of limits to minimise any potential losses. To minimise the Group's counterparty risk, the Group enters into derivative transactions only with creditworthy financial institutions.
- Purchasing insurance to protect the Group and the Company against insurable risks.
- Performing regular reviews of the aging profiles of amounts due from subsidiaries, joint ventures and associates.

The Group's trade receivables as at 31 December 2018 mainly arose from Genting Singapore Limited ("Genting Singapore"), an indirect 52.7% subsidiary of the Company, amounting to RM1,016.5 million (31 December 2017 and 1 January 2017: RM765.0 million and RM1,054.5 million respectively). In managing credit risk exposure from trade receivables, Genting Singapore has established a Credit Committee and processes to evaluate the creditworthiness of its counterparties. The counterparty's payment profile and credit exposure are continuously monitored by the Credit Committee, together with the operational policies and guidelines. Credit exposure to an individual counterparty is restricted by the credit limits set by the Credit Committee based on ongoing credit evaluation.

The Group avoids, where possible, any significant exposure to a single customer. However, in the ordinary course of business, subsidiaries with the principal activity of generation and supply of electric power have trade receivables that are solely from their offtakers, the provincial or national electricity utility companies whereas certain subsidiaries in the Group's Oil and Gas segment transact solely with the state-owned customers. As such, the counterparty risks are considered to be minimal.

## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

### (a) Financial risk factors (cont'd)

#### (iii) Credit risk (cont'd)

##### Impairment

The Group has five types of financial assets that are subject to the ECL model:

- Trade receivables for sales of goods and services;
- Contract assets;
- Lease receivables;
- Debt instruments carried at amortised cost; and
- Debt investments carried at FVTPL.

In addition to debt instruments carried at amortised cost, the Company has issued corporate guarantees to banks for its subsidiaries' facilities (financial guarantee contracts) that are subject to the ECL model.

While cash and cash equivalents are also subject to the impairment requirements as set out in MFRS 9, there is no impairment loss identified given the financial strength of the financial institutions with which the Group and the Company have a relationship.

The Group assesses on a forward looking basis the ECL associated with its debt instruments carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

The Group considers the probability of default upon initial recognition of an asset and whether there has been significant increase in credit risk on an on-going basis throughout each reporting period. To assess whether there is a significant increase in credit risk, the Group compares the risk of default occurring on the asset as at the reporting date with the risk of default as at the date of initial recognition. It considers available reasonable and supportable forward-looking information, such as:

- internal credit rating
- external credit rating (as far as available)
- actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligation;
- significant increases in credit risk on other financial instruments of the same debtor;
- significant changes in the value of the collateral supporting the obligation or in the quality of third-party guarantees or credit enhancements; or
- significant changes in the expected performance or behaviour of the debtor, including changes in the payment status of the debtor.



## FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)

### (a) Financial risk factors (cont'd)

#### (iii) Credit risk (cont'd)

##### Impairment (cont'd)

The Group considers a trade receivable or other receivable as credit impaired when one or more events that have a detrimental impact on the estimated cash flow have occurred. These instances include adverse changes in the financial capability of the debtor and default or significant delay in payments.

Trade and other receivables are written off when there is no reasonable expectation of recovery, with the case-by-case assessment performed based on indicators such as insolvency or demise. Where receivables are written off, the Group continues to recover the receivables due. Where recoveries are made, these are recognised in the income statement.

The Group use three categories for those receivables which reflect their credit risk and how the loss provision is determined for those categories.

#### i) Trade receivables and contract assets using simplified approach

The Group applies the simplified approach under MFRS 9 to measure ECL, which uses a lifetime ECL allowance for all trade receivables and contract assets. To measure the expected losses, trade receivables and contract assets have been grouped based on shared credit risk characteristics and days past due.

The expected loss rates are based on historical payment profiles of sales and the corresponding historical credit losses experienced during these periods. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors (such as palm products prices and crude oil price) affecting the ability of the customers to settle the receivables. The historical loss rates will be adjusted based on the expected changes in these factors. No significant changes to estimation techniques or assumptions were made during the reporting period.

The Group's maximum exposure to credit risk and loss allowance recognised as at 31 December 2018 is disclosed in Note 32. The remaining amount in which no ECL allowance was recognised is deemed to be recoverable, with low probability of default.

In respect of the previous financial years, the impairment of trade receivables was assessed based on the incurred loss model. Individual receivables were assessed to determine whether there was objective evidence that a loss-event had occurred and an allowance for impairment was recognised accordingly when the loss-event occurred. Information in respect of the allowance for impairment loss in the prior financial year is disclosed in Note 32.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(iii) Credit risk (cont'd)**Impairment (cont'd)

- ii) Debt instruments at amortised costs other than trade receivables and contract assets using general 3-stage approach

All of the Group's and the Company's debt instruments at amortised costs (other than trade receivables, contract assets and the Group's investment in the Promissory Notes ("Notes") issued by the Tribe) are considered to have low credit risk, as these were considered to be performing, have low risks of defaults and historically there were minimal instances where contractual cash flow obligations have not been met.

The Group is exposed to credit risk in relation to investment in the Notes issued by the Tribe. General 3 stage approach is applied in accessing ECL for Notes. In view of the uncertainty of recovery of the Notes following the decision by US Federal Government in September 2018 concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development, the loss allowance recognised during the period was therefore lifetime expected loss. Refer to Note 28 for further details.

The Group uses four categories to reflect their credit risk and how the loss allowance is determined for each of those categories. A summary of the assumptions which underpin the Group's ECL model is as follows:

Category	Definition of category	Basis for recognition of ECL provision
Performing	Customers have a low risk of default and a strong capacity to meet contractual cash flows.	12 months expected losses. Where the expected lifetime on an asset is less than 12 months, expected losses are measured at its expected lifetime.
Underperforming	Debtors for which there is a significant increase in credit risk due to actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations.	Lifetime expected losses.
Non-performing	There is evidence indicating the assets are credit-impaired.	Lifetime expected losses.
Write-off	There is evidence indicating that there is no reasonable expectation of recovery based on unavailability of debtor's sources of income or assets to generate sufficient future cash flows to repay the amount.	Asset is written-off.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)**

**(a) Financial risk factors (cont'd)**

**(iii) Credit risk (cont'd)**

Impairment (cont'd)

- ii) Debt instruments at amortised costs other than trade receivables and contract assets using general 3-stage approach (cont'd)

Based on the above, loss allowance is measured on either 12 month ECL or lifetime ECL, by considering the likelihood that the debtor would not be able to repay during the contractual period, the percentage of contractual cash flows that will not be collected if default happens and the outstanding amount that is exposed to default risk.

For intercompany balances that are repayable on demand, the Company's ECL is based on the following assumptions:

- If the borrower has sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the ECL is likely to be immaterial.
- If the borrower could not repay the loan if demanded at the reporting date, the Company considers the expected manner of recovery to measure the ECL. The recovery manner could be either through 'repayment over time' or a fire sale of less liquid assets by the borrower.
- If the recovery strategies indicate that the Company would fully recover the outstanding balance of the loan, the ECL would be limited to the effect of the discounting of the amount due on the loan, at the loan's effective interest rates, over the period until the amount is fully recovered.

The maximum exposure to credit risks for debt instruments at amortised cost other than trade receivables and contract assets are represented by the carrying amounts recognised in the statements of financial position.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(iii) Credit risk (cont'd)****iii) Financial guarantee contracts**

All of the financial guarantee contracts are considered to be performing, have low risks of default and historically there were no instances where these financial guarantee contracts were called upon by the parties of which the financial guarantee contracts were issued to. Accordingly, no loss allowance was identified based on 12 months ECL.

As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position, except as follows:

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Corporate guarantee provided by certain subsidiaries in Indonesia to banks on plasma farmers' loan facilities	<b>127.3</b>	131.4	133.4
	<b>31.12.2018</b>	<b>Company</b> 31.12.2017	1.1.2017
Corporate guarantee provided to banks on subsidiaries' facilities	<b>3,816.3</b>	3,615.1	4,203.7

The Company is exposed to credit risk arising from financial guarantee contracts given to banks for subsidiaries' borrowings where the maximum credit risk exposure is the amount of borrowings utilised by the subsidiaries and the interest charged on the borrowings.

Information in respect of the provision for impairment losses for trade and other receivables is disclosed in Note 32.

Information regarding other non-current assets and trade and other receivables that are neither past due nor impaired is disclosed in Notes 28 and 32. Deposits with banks and other financial institutions, investment securities and derivatives that are neither past due nor impaired are placed with or entered into with reputable financial institutions or companies with high credit ratings and no history of default.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(iv) Price risk**

The Group and the Company are exposed to price risk from its quoted investments in financial assets at FVTPL and FVOCI (2017: Equity securities classified as AFS) and derivative financial instruments respectively. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio which is done in accordance with the limits set by the Group.

If the prices of the financial assets at FVTPL and FVOCI and derivative financial instruments listed in the respective countries change by 1% (2017: 1%) with all other variables including tax rate being held constant, the Group's profit after tax and OCI for the current and previous financial years will be as follows:

<b>31 December 2018</b>	<b>&lt;-- Increase/Decrease --&gt;</b>	
<b><u>Group</u></b>	<b>Profit after tax</b>	<b>OCI</b>
Listed financial assets at FVTPL and FVOCI		
– increase/decrease 1%	<b>5.7</b>	<b>4.7</b>
	<hr/>	<hr/>
<b><u>Company</u></b>		
Listed derivative financial instruments		
– increase/decrease 1%	<b>1.7</b>	<b>-</b>
	<hr/>	<hr/>
<b>31 December 2017</b>	<b>&lt;-- Increase/Decrease --&gt;</b>	
<b><u>Group</u></b>	<b>Profit after tax</b>	<b>OCI</b>
Listed equity securities		
– increase/decrease 1%	<b>0.1</b>	<b>9.4</b>
	<hr/>	<hr/>
<b><u>Company</u></b>		
Listed derivative financial instruments		
– increase/decrease 1%	<b>2.3</b>	<b>-</b>
	<hr/>	<hr/>

Profit after tax would increase/decrease as a result of gains/losses on financial assets at FVTPL and derivative financial instruments. Other components of equity would increase/decrease as a result of gains/losses on equity securities classified as financial assets at FVOCI (2017: available-for-sale financial assets).

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(v) Liquidity risk**

The Group practises prudent liquidity risk management to minimise the mismatch of financial assets and liabilities. The Group's cash flow is reviewed regularly to ensure that the Group is able to settle its commitments when they fall due.

The Group manages its liquidity risk with the view to maintaining a healthy level of cash and cash equivalents appropriate to the operating environment and expected cash flows of the Group. Liquidity requirements are maintained within its undrawn committed borrowing facilities at all times and are sufficient and available to the Group to meet its obligations.

Generally, surplus cash held by the operating entities over and above the balance required for working capital management are managed by the Group Treasury. The Group Treasury invests surplus cash in interest bearing accounts, money market deposits and marketable securities, choosing instruments with appropriate maturities or sufficient liquidity to provide sufficient headroom as determined by the above-mentioned cash flows of the Group.

The table below analyses the financial liabilities into relevant maturity groupings based on the remaining period at the reporting date to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
<b><u>Group</u></b>				
<b>At 31 December 2018</b>				
Other non-current liabilities	-	347.4	0.9	-
Derivative financial instruments				
- hedged	30.9	31.2	71.9	29.2
Trade and other payables*	5,024.2	-	-	-
Amounts due to joint ventures	16.6	-	-	-
Borrowings (principal and finance costs)	<u>4,938.8</u>	<u>4,980.5</u>	<u>9,421.7</u>	<u>16,611.3</u>
Financial guarantee contracts	<u>127.3</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b><u>Company</u></b>				
<b>At 31 December 2018</b>				
Trade and other payables	44.3	-	-	-
Amounts due to subsidiaries				
- current	3,434.3	-	-	-
- non-current	-	95.3	750.4	1,750.5
Financial guarantee contracts	<u>3,816.3</u>	<u>-</u>	<u>-</u>	<u>-</u>

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(a) Financial risk factors (cont'd)****(v) Liquidity risk (cont'd)**

	<b>Less than 1 year</b>	<b>Between 1 and 2 years</b>	<b>Between 2 and 5 years</b>	<b>Over 5 years</b>
<b><u>Group</u></b>				
<b>At 31 December 2017</b>				
Other non-current liabilities	-	295.2	0.1	-
Derivative financial instruments				
- hedged	46.7	36.6	82.8	50.3
Trade and other payables*	4,879.9	-	-	-
Amounts due to joint ventures	112.4	-	-	-
Borrowings (principal and finance costs)	3,143.9	4,202.2	10,743.2	15,767.7
Financial guarantee contracts	131.4	-	-	-
<b><u>Company</u></b>				
<b>At 31 December 2017</b>				
Trade and other payables	44.0	-	-	-
Amounts due to subsidiaries				
- current	242.3	-	-	-
- non-current	-	1,767.5	772.7	1,823.4
Financial guarantee contracts	3,615.1	-	-	-
<b><u>Group</u></b>				
<b>At 1 January 2017</b>				
Derivative financial instruments				
- hedged	71.8	52.8	(29.3)	90.5
- unhedged	0.7	-	-	-
Trade and other payables	4,769.1	-	-	-
Amounts due to joint ventures	4.5	-	-	-
Borrowings (principal and finance costs)	2,895.3	1,714.0	9,326.4	8,094.3
Financial guarantee contracts	133.4	-	-	-
<b><u>Company</u></b>				
<b>At 1 January 2017</b>				
Trade and other payables	39.1	-	-	-
Amounts due to subsidiaries				
- current	335.3	-	-	-
- non-current	-	179.8	1,957.7	2,405.8
Financial guarantee contracts	4,203.7	-	-	-

\*Excludes contract liabilities.

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(b) Capital management**

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to provide returns for shareholders and benefits for other stakeholders.

In order to optimise the capital structure, or the capital allocation amongst the Group's various businesses, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares and warrants, buy back issued shares, take on new debt or sell assets to reduce debt.

Consistent with others in the industry, the Group monitors capital utilisation on the basis of the gearing ratio. This ratio is calculated as total debt divided by total capital. Total debt is calculated as total borrowings (comprising 'short term and long term borrowings' as shown in the statements of financial position). Total capital is calculated as the sum of total equity and total debt.

The gearing ratio as at the reporting date are as follows:

	<b>31.12.2018</b>	<b>Group</b>	
		31.12.2017	1.1.2017
Total debt	<b>29,224.5</b>	27,179.3	18,043.9
Total equity	<b>57,388.2</b>	57,100.9	64,702.0
Total capital	<b>86,612.7</b>	84,280.2	82,745.9
Gearing ratio	<b>34%</b>	32%	22%

There were no changes in the Group's approach to capital management during the current financial year.

The Group was in compliance with externally imposed capital requirements as at the reporting date.

**(c) Fair value measurement**

The assets and liabilities carried at fair value are categorised into different levels of the fair value hierarchy as follows:

- Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices).
- Level 3: Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs).



**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(c) Fair value measurement (cont'd)**

The following table presents the Group's financial instruments that are measured at fair value.

	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b><u>Group</u></b>				
<b>At 31 December 2018</b>				
<b>Financial assets</b>				
Financial assets at FVOCI	466.4	-	431.1	897.5
Financial assets at FVTPL	564.1	751.6	121.7	1,437.4
Derivative financial instruments	-	48.9	-	48.9
	<b>1,030.5</b>	<b>800.5</b>	<b>552.8</b>	<b>2,383.8</b>
<b>Financial liability</b>				
Derivative financial instruments	-	143.6	-	143.6
<b>At 31 December 2017</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	7.4	-	-	7.4
Available-for-sale financial assets	935.1	620.0	1,270.4	2,825.5
Derivative financial instruments	-	4.5	3.7	8.2
	<b>942.5</b>	<b>624.5</b>	<b>1,274.1</b>	<b>2,841.1</b>
<b>Financial liability</b>				
Derivative financial instruments	-	194.5	-	194.5
<b>At 1 January 2017</b>				
<b>Financial assets</b>				
Financial assets at FVTPL	10.8	-	-	10.8
Available-for-sale financial assets	872.7	1,250.0	1,614.0	3,736.7
Derivative financial instruments	-	121.8	-	121.8
	<b>883.5</b>	<b>1,371.8</b>	<b>1,614.0</b>	<b>3,869.3</b>
<b>Financial liability</b>				
Derivative financial instruments	-	305.6	-	305.6
<b><u>Company</u></b>				
<b>As at 31 December 2018</b>				
<b>Financial asset</b>				
Derivative financial instruments	170.9	-	-	170.9
<b>As at 31 December 2017</b>				
<b>Financial assets</b>				
Derivative financial instruments	227.9	-	-	227.9
<b>At 1 January 2017</b>				
<b>Financial assets</b>				
Available-for-sale financial assets	-	200.0	-	200.0
Derivative financial instruments	232.8	-	-	232.8
	<b>232.8</b>	<b>200.0</b>	<b>-</b>	<b>432.8</b>

## **FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)**

### **(c) Fair value measurement (cont'd)**

The carrying values of current financial assets and current financial liabilities of the Group and the Company at the end of the reporting period approximated their fair values.

The fair value of financial instruments traded in active markets is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined by using valuation techniques. These valuation techniques maximise the use of observable market data where it is available and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in Level 2.

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3.

Specific valuation techniques used to value financial instruments include:

- Quoted market prices or dealer quotes for similar instruments.
- The fair value of interest rate swaps, cross currency swaps and commodity swaps contracts are calculated as the present value of the estimated future cash flows based on observable yield curves.
- The fair value of forward foreign currency exchange contracts is determined using forward exchange rates at the reporting date.
- Other techniques, such as discounted cash flow analysis, are used to determine fair value for the remaining financial instruments.

There were no transfers between Levels 1 and 2 during the current financial year (2017: Nil).

**FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Cont'd)****(c) Fair value measurement (cont'd)**

The following table presents the changes in Level 3 financial instruments:

	<b>Group</b>	
	<b>2018</b>	2017
<b>As at 1 January, as previously reported</b>	<b>1,274.1</b>	1,614.0
Effect of adoption of MFRS 9 (see Note 44)	<b>(0.5)</b>	-
<b>As at 1 January, as restated</b>	<b>1,273.6</b>	1,614.0
Foreign exchange differences	<b>20.8</b>	(138.8)
Additions	<b>305.2</b>	94.2
Disposals	<b>(4.5)</b>	(1.7)
Fair value changes – recognised in OCI	<b>(557.6)</b>	(130.9)
Fair value changes – recognised in income statement	<b>(199.1)</b>	(0.4)
Impairment loss	-	(191.2)
Investment income and interest income	<b>8.2</b>	29.0
Repayment	-	(0.1)
Reclassification to investment in joint ventures and non-current assets	<b>(293.8)</b>	-
<b>As at 31 December</b>	<b>552.8</b>	1,274.1

If one or more of the significant inputs is not based on observable market data, the instrument is included in Level 3. The assessment of the fair value of unquoted securities is performed based on the available data such as discounted cash flow with key inputs such as growth rates and discount rates, or recent transacted prices of similar financial instruments as indications of their fair values as at reporting date.

Although the Group believes that its estimates of fair values are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value. For fair value measurement in Level 3, there are no reasonably possible changes in any of the growth rate or discount rate that would materially impact the profit or loss, total assets and total equity of the Group.

## 5. SEGMENT ANALYSIS

Management has determined the operating segments based on the reports reviewed by the chief operating decision-makers that are used to make strategic decisions.

The chief operating decision-makers consider the business from both a geographic and industry perspective and has the following reportable segments:

- Leisure & Hospitality - This segment includes gaming, hotels, food and beverages, theme parks, retail, entertainment and attractions, tours and travel related services, development and operation of integrated resorts and other support services.
- Plantation - This segment is involved mainly in oil palm plantations, palm oil milling and related activities.
- Power - This segment is involved in generation and supply of electric power.
- Property - This segment is involved in property development activities and property investment.
- Oil & Gas - This segment is involved in oil & gas exploration, development and production activities.

All other immaterial segments including investments in equities are aggregated and disclosed under “Investments & Others” as they are not of a sufficient size to be reported separately.

The performance of the operating segments is based on a measure of adjusted earnings before interest, tax, depreciation and amortisation (“EBITDA”). This measurement basis also excludes the effects of non-recurring items from the operating segments, such as net fair value gain or loss on financial assets, gain or loss on disposal of financial assets, gain or loss on derecognition/dilution of shareholding in joint ventures and associates, project costs written off, reversal of previously recognised impairment losses, impairment losses, pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.

Segment assets consist primarily of property, plant and equipment, investment properties, intangible assets, inventories, trade and other receivables, financial assets at FVOCI (2017: AFS), financial assets at FVTPL and cash and cash equivalents. Segment assets exclude interest bearing instruments, joint ventures, associates, deferred tax assets, tax recoverable and assets classified as held for sale as these assets are managed on a group basis.

Segment liabilities comprise operating liabilities. Segment liabilities exclude interest-bearing instruments, tax payable, deferred tax liabilities and liabilities classified as held for sale as these liabilities are managed on a group basis.

**SEGMENT ANALYSIS (Cont'd)**

The segment analysis of the Group is set out below:

	Leisure & Hospitality				Plantation		Power	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	UK and Egypt	US and Bahamas	Oil Palm Plantation (Notes (ii))	Downstream Manufacturing					
<b>2018</b>											
<b>Revenue</b>											
Total revenue	7,816.8	7,592.1	1,780.7	1,384.9	1,232.0	977.8	1,067.0	226.5	333.3	117.1	22,528.2
Inter/Intra segment	(1,230.5)	(0.4)	-	-	(414.4)	(13.7)	-	(6.6)	(5.6)	(4.0)	(1,675.2)
External	6,586.3	7,591.7	1,780.7	1,384.9	817.6	964.1	1,067.0	219.9	327.7	113.1	20,853.0
<b>Results</b>											
Adjusted EBITDA	2,915.7	3,758.8	182.4	305.8	383.3	11.2	495.6	76.4	234.5	(226.6)	8,137.1
Net fair value (loss)/gain on derivative financial instruments	-	-	-	-	-	-	-	-	(1.1)	0.5	(0.6)
Net fair value loss on financial assets at FVTPL	-	-	-	-	-	-	-	-	-	(196.3)	(196.3)
Net loss on derecognition/dilution of shareholding in joint ventures and associates	-	-	-	-	-	-	-	-	-	(1.8)	(1.8)
Gain on disposal of assets and liabilities classified as held for sale	-	0.3	-	-	-	-	-	-	-	-	0.3
Reversal of previously recognised impairment losses	-	-	-	3.4	-	-	-	-	-	-	3.4
Impairment losses	(118.1)	-	-	-	-	-	(4.9)	-	-	(1,885.5)	(2,008.5)
Depreciation and amortisation	(551.1)	(941.4)	(119.2)	(245.9)	(203.2)	(11.0)	(10.6)	(31.3)	(86.0)	(24.0)	(2,223.7)
Interest income	-	-	-	-	-	-	-	-	-	-	838.1
Finance cost	-	-	-	-	-	-	-	-	-	-	(1,013.1)
Share of results in joint ventures	-	11.8	-	-	-	-	50.0	40.7	-	38.8	141.3
Share of results in associates	-	-	-	-	2.4	-	6.7	-	-	(16.0)	(6.9)
Others (Note (i))	(129.0)	(17.7)	-	(50.6)	11.5	-	(27.9)	4.4	(13.0)	(28.6)	(250.9)
Profit before taxation											3,418.4
Taxation											(974.5)
Profit for the financial year											2,443.9

**SEGMENT ANALYSIS (Cont'd)**

	Leisure & Hospitality				Plantation		Power (Notes (iii) & (iv))	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	UK and Egypt	US and Bahamas	OH Palm Plantation (Notes (ii))	Downstream Manufacturing					
<b>2017</b>											
<b>Revenue</b>											
Total revenue	6,907.4	7,445.0	1,893.4	1,435.2	1,511.1	723.4	1,065.8	222.7	319.4	121.7	21,645.1
Inter/Intra segment	(1,075.9)	(1.0)	-	-	(520.7)	-	-	(9.6)	(6.4)	(5.8)	(1,619.4)
External	5,831.5	7,444.0	1,893.4	1,435.2	990.4	723.4	1,065.8	213.1	313.0	115.9	20,025.7
<b>Results</b>											
Adjusted EBITDA	2,378.2	3,629.9	231.0	232.0	576.5	12.1	415.8	77.5	207.2	(699.1)	7,061.1
Net fair value (loss)/gain on derivative financial instruments	-	-	-	-	-	-	(42.8)	-	0.9	(0.4)	(42.3)
Net gain on disposal of available-for-sale financial assets	-	-	-	-	-	-	-	-	-	226.0	226.0
Gain on disposal of assets and liabilities classified as held for sale	-	34.9	-	-	-	-	-	-	-	267.3	302.2
Net loss on derecognition/dilution of shareholding in associates	-	-	-	-	-	-	-	-	-	-	-
Impairment losses	(13.5)	(21.0)	(163.4)	(35.2)	-	-	(62.4)	-	(29.6)	-	(62.4)
Depreciation and amortisation	(483.1)	(877.6)	(134.5)	(285.9)	(170.1)	(12.1)	(10.7)	(32.4)	(99.4)	(21.2)	(2,127.0)
Interest income	-	-	-	-	-	-	-	-	-	-	886.8
Finance cost	-	-	-	-	-	-	-	-	-	-	(950.1)
Share of results in joint ventures	-	10.5	-	-	-	-	(21.1)	30.2	-	19.2	38.8
Share of results in associates	-	-	-	-	4.4	-	(77.2)	0.1	-	(13.2)	(85.9)
Others (Note (i))	(106.0)	(55.1)	(12.0)	(51.9)	7.8	(0.1)	-	29.0	(9.9)	(64.1)	(262.3)
Profit before taxation											4,309.9
Taxation											(1,068.4)
Profit for the financial year											<u>3,241.5</u>

**Notes:**

- (i) Others include pre-opening and development expenses, assets written off, gain or loss on disposal of assets and share-based payment expenses.
- (ii) Comprises Plantation Malaysia and Indonesia as one reportable segment and the comparatives are restated accordingly.
- (iii) Power segment for the previous financial year ended 31 December 2017 included construction revenue and costs of approximately RM183.3 million and RM134.7 million respectively thereby generating a construction profit of RM48.6 million. This construction profit was in relation to the construction and development of the 660MW coal-fired power plant in the Banten province, West Java, Indonesia.
- (iv) Other than as disclosed in note (iii) above, revenue and adjusted EBITDA for the previous financial year ended 31 December 2017 also included sale of electricity by the Indonesian coal-fired power plant following the start of commercial operations on 28 March 2017.

**SEGMENT ANALYSIS (Cont'd)**

	Leisure & Hospitality			Plantation		Power	Property	Oil & Gas	Investments & Others	Total
	Malaysia	Singapore	UK and Egypt	US and Bahamas	Oil Palm Plantation*	Downstream Manufacturing	Total			
<b>31 December 2018</b>										
<b>Assets</b>										
Segment assets	12,263.5	15,511.0	4,403.3	10,082.7	5,493.2	514.0	6,007.2	4,006.2	4,677.2	64,487.7
Interest bearing instruments	-	177.5	-	-	-	-	-	-	459.8	28,617.0
Joint ventures	-	-	-	-	9.6	-	9.6	-	664.0	1,667.8
Associates	-	-	-	-	-	-	-	-	-	710.8
Unallocated corporate assets										623.7
Assets classified as held for sale (see Note 34)										34.4
<b>Total assets</b>	<b>2,430.7</b>	<b>1,361.7</b>	<b>4,096</b>	<b>757.8</b>	<b>243.5</b>	<b>34.9</b>	<b>278.4</b>	<b>371.2</b>	<b>473.3</b>	<b>6,955.4</b>
<b>Liabilities</b>										
Segment liabilities										
Interest bearing instruments										28,711.0
Unallocated corporate liabilities										3,073.2
Liabilities classified as held for sale (see Note 34)										13.6
<b>Total liabilities</b>										<b>38,753.2</b>

**SEGMENT ANALYSIS (Cont'd)**

	← Leisure & Hospitality →		← Oil Palm Plantation* →		← Plantation →		Property	Oil & Gas	Investments & Others	Total			
	Malaysia	Singapore	UK and Egypt	US and Bahamas	Total	Oil Palm Plantation*	Downstream Manufacturing	Total					
<b>31 December 2017</b>													
<b>Assets</b>													
Segment assets	11,211.9	16,418.3	4,751.2	7,548.0	39,929.4	5,437.6	489.3	5,926.9	4,706.8	2,703.6	4,159.7	5,368.9	62,795.3
Interest bearing instruments	-	164.7	-	-	164.7	-	-	-	851.2	108.1	-	89.8	28,387.2
Joint ventures	-	-	-	-	-	12.7	-	12.7	43.6	0.4	-	663.5	1,213.8
Associates	-	-	-	-	-	-	-	-	-	-	-	-	720.2
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	-	-	420.4
Assets classified as held for sale (see Note 34)	-	-	-	-	-	-	-	-	-	-	-	-	75.7
<b>Total assets</b>													<b>93,612.6</b>
<b>Liabilities</b>													
Segment liabilities	2,145.7	1,383.2	473.1	503.8	4,505.8	232.3	18.3	250.6	670.4	169.6	630.0	342.3	6,568.7
Interest bearing instruments	-	-	-	-	-	-	-	-	-	-	-	-	26,969.3
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	-	-	2,914.5
Liabilities classified as held for sale (see Note 34)	-	-	-	-	-	-	-	-	-	-	-	-	59.2
<b>Total liabilities</b>													<b>36,511.7</b>



**SEGMENT ANALYSIS (Cont'd)**

	Leisure & Hospitality				Plantation		Power Property & Others	Oil & Gas Investments	Total		
	Malaysia	Singapore	UK	US and Bahamas	Oil Palm Plantation*	Downstream Manufacturing					
<b>1 January 2017</b>											
<b>Assets</b>											
Segment assets	9,395.9	17,517.2	4,857.0	7,650.3	4,856.3	378.8	4,873.0	2,948.0	4,753.8	5,347.7	62,578.0
Interest bearing instruments	-	157.6	-	-	-	-	922.0	77.9	-	127.3	24,687.3
Joint ventures	-	-	-	-	-	-	215.8	0.5	-	794.8	1,284.8
Associates	-	-	-	-	12.2	-	-	-	-	-	1,023.3
Unallocated corporate assets	-	-	-	-	-	-	-	-	-	-	372.2
Assets classified as held for sale (see Note 34)	-	-	-	-	-	-	-	-	-	-	1,600.9
<b>Total assets</b>											<u>91,546.5</u>
<b>Liabilities</b>											
Segment liabilities	1,929.7	1,074.3	421.7	496.1	281.8	14.4	795.5	237.4	812.8	370.0	6,433.7
Interest bearing instruments	-	-	-	-	-	-	-	-	-	-	17,985.1
Unallocated corporate liabilities	-	-	-	-	-	-	-	-	-	-	2,414.6
Liabilities classified as held for sale (see Note 34)	-	-	-	-	-	-	-	-	-	-	11.1
<b>Total liabilities</b>											<u>26,844.5</u>

\* Comprises Plantation Malaysia and Indonesia as one reportable segment and the comparatives are restated accordingly.

**SEGMENT ANALYSIS (Cont'd)**Geographical Information

Revenue and non-current assets information based on the geographical location of customers and assets respectively are as follows:

	<b>Revenue</b>		<b>Non-current assets</b>		
	<b>2018</b>	2017	<b>31.12.2018</b>	31.12.2017	1.1.2017
Malaysia	<b>8,060.2</b>	7,187.4	<b>13,180.2</b>	12,305.6	10,286.1
Singapore	<b>7,597.4</b>	7,449.6	<b>15,126.5</b>	15,761.3	16,677.8
Asia Pacific (excluding Malaysia & Singapore)	<b>1,916.4</b>	1,933.6	<b>7,896.5</b>	8,052.2	7,851.6
US and Bahamas	<b>1,456.7</b>	1,512.7	<b>10,538.5</b>	7,950.8	8,522.2
UK and Egypt	<b>1,822.3</b>	1,942.4	<b>4,506.1</b>	4,688.5	5,012.6
	<b><u>20,853.0</u></b>	<u>20,025.7</u>	<b><u>51,247.8</u></b>	<u>48,758.4</u>	<u>48,350.3</u>

Non-current assets exclude investments in joint ventures, associates, AFS, financial assets at FVOCI, financial assets at FVTPL, derivative financial instruments, deferred tax assets and other non-current assets as presented in the consolidated statement of financial position.

**6. REVENUE**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
<u>Leisure and hospitality:</u>				
Gaming operations				
- Net gaming wins *	<b>12,784.7</b>	12,382.1	-	-
Non-gaming operations				
- Hotel room revenue	<b>1,397.8</b>	1,368.2	-	-
- Food and beverage revenue	<b>918.5</b>	866.1	-	-
- Attractions and entertainment revenue	<b>1,424.6</b>	1,331.3	-	-
- Tenancy	<b>277.8</b>	190.0	-	-
- Transportation	<b>257.9</b>	231.7	-	-
- Others	<b>282.3</b>	234.7	-	-
Total Leisure and Hospitality	<b>17,343.6</b>	16,604.1	-	-
<u>Plantation:</u>				
Sale of agriculture produce	<b>1,230.2</b>	1,509.4	-	-
Sale of biodiesel and refined palm products	<b>549.6</b>	202.7	-	-
Others	<b>1.9</b>	1.7	-	-
	<b>1,781.7</b>	1,713.8	-	-
<u>Property:</u>				
Rental and property management income	<b>93.1</b>	101.5	-	-
Sale of development properties	<b>126.8</b>	111.6	-	-
	<b>219.9</b>	213.1	-	-
<u>Power and Oil &amp; Gas:</u>				
Sale of electricity	<b>570.2</b>	497.7	-	-
Capacity payment	<b>494.6</b>	380.4	-	-
Sale of crude oil	<b>325.3</b>	310.7	-	-
Construction revenue	-	183.3	-	-
Others	<b>4.6</b>	6.7	-	-
	<b>1,394.7</b>	1,378.8	-	-
<u>Investment and others:</u>				
Fees from management and licensing services	<b>3.4</b>	2.4	<b>720.9</b>	637.6
Dividend income	<b>10.4</b>	9.9	<b>1,131.5</b>	779.6
Other services	<b>99.3</b>	103.6	-	-
	<b>113.1</b>	115.9	<b>1,852.4</b>	1,417.2
<b>Total revenue</b>	<b>20,853.0</b>	20,025.7	<b>1,852.4</b>	1,417.2

\* Net gaming wins is disclosed net of complimentary goods and services provided to customers as part of Group's gaming operations of RM1,156.8 million (2017: RM1,038.1 million).

**7. COST OF SALES**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
Cost of services and other operating costs	<b>10,435.8</b>	10,419.7	<b>111.4</b>	120.4
Cost of inventories recognised as an expense	<b>2,594.1</b>	2,192.1	-	-
Construction cost	-	134.7	-	-
	<b><u>13,029.9</u></b>	<u>12,746.5</u>	<b><u>111.4</u></b>	<u>120.4</u>

Included in other operating costs are gaming related expenses amounting to RM2,972.9 million (2017: RM2,899.9 million) for the Group and Nil (2017: Nil) for the Company.

**8. REVERSAL OF PREVIOUSLY RECOGNISED IMPAIRMENT LOSSES/IMPAIRMENT LOSSES****(a) Reversal of previously recognised impairment losses**

During the current financial year, the Group's reversal of previously recognised impairment losses of RM3.4 million was in relation to property, plant and equipment of Genting Malaysia, on the basis that the recoverable amounts exceeded the carrying values.

During the current financial year, the Company's reversal of previously recognised impairment losses of RM8.9 million was in relation to investment in a subsidiary, on the basis that the recoverable amounts exceeded the carrying values.

There was no reversal of previously recognised impairment loss in the previous financial year.

**(b) Impairment losses**

During the current financial year, the impairment losses of the Group comprised RM1,834.3 million on Genting Malaysia Group's investment in the promissory notes issued by the Tribe to finance the Tribe's development of an integrated resort in Taunton, Massachusetts, United States of America, RM112.8 million on property, plant and equipment, RM56.5 million on intangible assets and RM4.9 million on the Group's investment in associate, on the basis that the carrying values exceeded their recoverable amounts.

During the previous financial year, the impairment losses of the Group comprised RM163.4 million relating to the casino business in UK, RM245.6 million on the Group's AFS, RM162.9 million on the Group's investment in associates, RM100.7 million on property, plant and equipment and RM2.4 million on intangible assets, on the basis that the carrying values exceeded their recoverable amounts.

During the current financial year, the Company recognised impairment losses of RM841.5 million (2017: RM311.5 million) on investment in subsidiaries, as their carrying values exceeded their recoverable amounts given the challenging market conditions in the current financial year. The net assets of these subsidiaries are used as a proxy for their recoverable amounts based on FVLCTS method given the underlying assets mainly comprised financial assets at FVOCI which are measured at fair value. Prior year's impairment losses on amounts due from subsidiaries were previously presented in "other expenses" but had been reclassified to "impairment losses" to conform with current year presentation.

**9. OTHER GAINS/(LOSSES)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
Net exchange (loss)/gain– realised	<b>(63.9)</b>	(157.9)	<b>(0.7)</b>	1.8
Net exchange gain/(loss) – unrealised	<b>47.9</b>	(304.2)	<b>1.2</b>	(4.5)
Net fair value loss on derivative financial instruments	<b>(0.6)</b>	(42.3)	<b>(57.0)</b>	(4.9)
Net fair value loss on financial assets at fair value through profit or loss	<b>(196.3)</b>	(2.5)	-	-
	<b>(212.9)</b>	<b>(506.9)</b>	<b>(56.5)</b>	<b>(7.6)</b>

**10. PROFIT BEFORE TAXATION**

Profit before taxation from operations has been determined after inclusion of the following charges and credits. The expenses by nature of the Group are also disclosed in the charges below:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>Charges:</b>				
Depreciation of property, plant and equipment	<b>1,929.4</b>	1,818.7	<b>0.7</b>	0.9
Depreciation of investment properties	<b>16.5</b>	15.8	-	-
Amortisation of leasehold land use rights	<b>4.3</b>	1.7	-	-
Amortisation of intangible assets	<b>190.6</b>	200.6	-	-
Depletion, depreciation and amortisation of rights of use of oil and gas assets	<b>82.9</b>	90.2	-	-
Directors' remuneration excluding estimated monetary value of benefits-in-kind (see Note 12)	<b>181.7</b>	203.4	<b>64.6</b>	75.5
Impairment losses on property, plant and equipment	<b>112.8</b>	102.7	-	-
Impairment losses on intangible assets	<b>56.5</b>	163.8	-	-
Impairment losses on available-for-sale financial assets	-	245.6	-	-
Impairment losses on investment in associates	<b>4.9</b>	162.9	-	-
Impairment losses on investment in promissory notes	<b>1,834.3</b>	-	-	-
Impairment losses in subsidiaries	-	-	<b>841.5</b>	311.5
Impairment losses on amounts due from subsidiaries	-	-	-	116.6
Inventories written off	<b>8.5</b>	1.3	-	-
Property, plant and equipment written off	<b>35.4</b>	57.0	-	-
Intangible assets written off	<b>4.0</b>	-	-	-
Net loss on derecognition/dilution of shareholding in joint ventures and associates	<b>1.8</b>	62.4	-	-
Impairment losses and write off of receivables	<b>168.8</b>	168.3	-	-
Amount due from an associate written off	-	5.4	-	-
Hire of aircraft and equipment	<b>25.6</b>	55.7	-	-
Rental of land and buildings	<b>114.4</b>	117.3	-	-

**PROFIT BEFORE TAXATION (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>Charges: (Cont'd)</b>				
Fair value adjustment of long term receivables	<b>40.9</b>	1.1	-	-
Finance cost				
- Interest on borrowings	<b>1,121.6</b>	946.1	-	-
- Sukuk Murabahah	<b>38.5</b>	29.1	-	-
- Other finance costs	<b>186.8</b>	200.0	-	-
- Less: capitalised costs	<b>(265.3)</b>	(172.8)	-	-
- Less: interest income earned	<b>(68.5)</b>	(52.3)	-	-
	<b>1,013.1</b>	950.1	-	-
Statutory audit fees				
- Payable to PricewaterhouseCoopers PLT	<b>3.6</b>	3.3	<b>0.2</b>	0.2
- Payable to other member firms of PricewaterhouseCoopers International Limited	<b>11.8</b>	12.1	-	-
- Payable to other auditors	<b>1.4</b>	1.8	-	-
Audit related fees				
- Payable to PricewaterhouseCoopers PLT	<b>0.8</b>	0.8	<b>0.2</b>	0.1
- Payable to other member firms of PricewaterhouseCoopers International Limited	<b>2.7</b>	2.1	-	-
Expenditure paid to subsidiaries:				
- Finance cost	-	-	<b>180.0</b>	180.2
- Rental of land and buildings	-	-	<b>2.7</b>	2.7
- Rental of equipment	-	-	<b>1.2</b>	1.3
- Service fees	-	-	<b>2.5</b>	1.8
Repairs and maintenance	<b>207.9</b>	312.9	<b>1.0</b>	1.6
Utilities	<b>319.7</b>	270.5	<b>0.2</b>	0.2
Legal and professional fees	<b>157.6</b>	144.7	<b>20.7</b>	1.9
Transportation costs	<b>131.3</b>	100.7	-	-
<b>Credits:</b>				
Interest income	<b>838.1</b>	886.8	<b>94.6</b>	68.4
Gain on disposal of available-for-sale financial assets	-	226.0	-	-
Net gain on disposal of property, plant and equipment	<b>9.9</b>	31.2	-	-
Gain on disposal of subsidiaries	-	3.5	-	-
Gain on disposal of assets and liabilities classified as held for sale	<b>0.3</b>	302.2	-	-
Rental income from land and buildings	<b>250.3</b>	197.1	-	-
Gain on bargain purchase	-	2.8	-	-
Net surplus arising from compensation in respect of land acquired by the Government	<b>17.5</b>	10.6	-	-

**PROFIT BEFORE TAXATION (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>Credits: (Cont'd)</b>				
Reversal of previously recognised impairment losses on property, plant and equipment	<b>3.4</b>	-	-	-
Reversal of previously recognised impairment losses on investment in a subsidiary	-	-	<b>8.9</b>	-
Dividends (gross) from:				
- Quoted foreign corporations	<b>4.4</b>	3.9	-	-
- Quoted Malaysian corporations	<b>0.2</b>	0.2	-	-
- Unquoted Malaysian corporations	<b>6.0</b>	6.2	-	-
Income from financial assets at FVTPL	<b>23.9</b>	-	-	-
Income from available-for-sale financial assets	-	27.6	-	0.8
Other information:				
Non-audit fees and non-audit related costs*				
- Payable to PricewaterhouseCoopers PLT	<b>0.5</b>	0.2	-	-
- Payable to other member firms of PricewaterhouseCoopers International Limited	<b>7.9</b>	6.4	-	-

\* Non-audit fees and non-audit related costs are in respect of tax related services of RM2.6 million (2017: RM2.5 million) and corporate and financial advisory services of RM5.8 million (2017: RM4.1 million).

**11. EMPLOYEE BENEFITS EXPENSE**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
Wages, salaries and bonuses	<b>3,500.2</b>	3,680.4	<b>80.4</b>	88.2
Defined contribution plan	<b>283.3</b>	276.6	<b>12.9</b>	13.5
Other short-term employee benefits	<b>495.2</b>	453.1	<b>2.6</b>	2.6
Share-based payments (see note below)	<b>81.0</b>	80.3	-	-
Provision for retirement gratuities, net (see Note 39)	<b>36.1</b>	63.8	<b>15.5</b>	16.1
	<b>4,395.8</b>	4,554.2	<b>111.4</b>	120.4

Employee benefits expense, as shown above, includes the remuneration of Executive Directors.

*Note: The share-based payments arose mainly from the Performance Share Scheme and Employee Share Option Scheme of the Group's subsidiaries, Genting Singapore and Genting Malaysia.*

**12. DIRECTORS' REMUNERATION**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<u>Non-Executive Directors:</u>				
Fees	<b>0.8</b>	0.6	<b>0.8</b>	0.6
<u>Executive Directors:</u>				
Fees	<b>1.2</b>	1.1	<b>0.4</b>	0.4
Salaries and bonuses	<b>116.0</b>	134.7	<b>44.4</b>	52.4
Defined contribution plan	<b>16.5</b>	19.4	<b>8.2</b>	9.8
Other short-term employee benefits	<b>0.4</b>	0.5	-	-
Share-based payments	<b>29.3</b>	21.8	-	-
Provision for retirement gratuities	<b>17.5</b>	25.3	<b>10.8</b>	12.3
	<b>180.9</b>	202.8	<b>63.8</b>	74.9
Directors' remuneration excluding estimated monetary value of benefits-in-kind (see Note 10)	<b>181.7</b>	203.4	<b>64.6</b>	75.5
Estimated monetary value of benefits-in-kind (not charged to the income statements) in respect of Executive Directors	<b>1.9</b>	2.0	-	-
	<b>183.6</b>	205.4	<b>64.6</b>	75.5

**13. TAXATION**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
Current taxation charge:				
Malaysian taxation	<b>385.2</b>	347.6	<b>170.7</b>	142.3
Foreign taxation	<b>654.9</b>	671.1	-	-
	<b>1,040.1</b>	1,018.7	<b>170.7</b>	142.3
Deferred tax (credit)/charge (see Note 29)	<b>(58.2)</b>	98.8	<b>(5.7)</b>	(3.7)
	<b>981.9</b>	1,117.5	<b>165.0</b>	138.6
Prior years' taxation:				
Income tax (over)/under provided	<b>(7.4)</b>	(49.1)	<b>0.4</b>	(0.1)
	<b>974.5</b>	1,068.4	<b>165.4</b>	138.5



**TAXATION (Cont'd)**

The reconciliation between the average effective tax rate and the Malaysian tax rate is as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2018</b> %	2017 %	<b>2018</b> %	2017 %
Malaysian tax rate	<b>24.0</b>	24.0	<b>24.0</b>	24.0
Tax effects of:				
- expenses not deductible for tax purposes	<b>20.1</b>	13.1	<b>36.0</b>	20.5
- over provision in prior years	<b>(0.2)</b>	(1.1)	<b>0.1</b>	-
- different tax regime	<b>(4.5)</b>	(4.6)	-	-
- tax incentives	<b>(7.6)</b>	(4.1)	-	-
- income not subject to tax	<b>(3.5)</b>	(4.0)	<b>(37.5)</b>	(25.6)
- others	<b>0.2</b>	1.5	-	-
Average effective tax rate	<b>28.5</b>	24.8	<b>22.6</b>	18.9

Taxation is calculated at the Malaysian statutory tax rate of 24% (2017: 24%) on the estimated chargeable profit for the year of assessment 2018.

The income tax effect of the other comprehensive (loss)/income items of the Group, which are individually not material, is a tax credit of RM2.0 million (2017: tax credit of RM16.1 million) in the current financial year.

**14. EARNINGS PER SHARE**

The basic and diluted earnings per share of the Group are computed as follows:

**(a) Basic earnings per share:**

Basic earnings per share of the Group is calculated by dividing the profit for the financial year by the weighted average number of ordinary shares in issue during the financial year.

	<b>2018</b>	2017
Profit for the financial year attributable to equity holders of the Company (RM million)	<b>1,365.6</b>	1,444.7
Weighted average number of ordinary shares in issue ('million)	<b>3,837.9</b>	3,775.1
Basic earnings per share (sen)	<b>35.58</b>	38.27

**EARNINGS PER SHARE (Cont'd)**

## (b) Diluted earnings per share:

For the diluted earnings per share calculation, the Group's profit for the financial year is reduced by the lower consolidated earnings from subsidiaries arising from the potential dilution of the Group's shareholdings in those subsidiaries that have issued potential ordinary shares that are dilutive. The weighted average number of ordinary shares in issue of the Company is also adjusted to assume conversion of all dilutive potential ordinary shares issued by the Company.

	<b>2018</b>	2017
Earnings adjusted as follows:		
Profit for the financial year attributable to equity holders of the Company (RM million)	<b>1,365.6</b>	1,444.7
Net impact on earnings on potential exercise of Performance Share Scheme awarded to executives of the Company's subsidiaries and warrants issued to shareholders of the Company's subsidiary (RM million)	<u>(0.7)</u>	<u>(0.9)</u>
Adjusted earnings for the financial year (RM million)	<b><u>1,364.9</u></b>	<b><u>1,443.8</u></b>
Weighted average number of ordinary shares adjusted as follows:		
Weighted average number of ordinary shares in issue ('million)	<b>3,837.9</b>	3,775.1
Adjustment for potential conversion of warrants of the Company ('million)	<u>-</u>	<u>64.3</u>
Adjusted weighted average number of ordinary shares in issue ('million)	<b><u>3,837.9</u></b>	<b><u>3,839.4</u></b>
Diluted earnings per share (sen)	<b><u>35.56</u></b>	<b><u>37.60</u></b>

**15. DIVIDENDS**

Dividends recognised as distribution to ordinary equity holders of the Company are as follows:

	<b>Group/Company</b>			
	<b>2018</b>		<b>2017</b>	
	<b>Gross dividend per share</b>	<b>Amount of dividend, net of tax</b>	<b>Gross dividend per share</b>	<b>Amount of dividend, net of tax</b>
	<b>Sen</b>	<b>RM million</b>	<b>Sen</b>	<b>RM million</b>
Special dividends paid in respect of previous financial year	<b>7.0</b>	<b>268.2</b>	6.5	242.0
Final dividends paid in respect of previous financial year	<b>6.0</b>	<b>229.9</b>	6.0	226.6
Interim dividends paid in respect of current financial year	<b>8.5</b>	<b>327.3</b>	8.5	324.3
	<b><u>21.5</u></b>	<b><u>825.4</u></b>	<b><u>21.0</u></b>	<b><u>792.9</u></b>

A special single-tier dividend of 7.0 sen (2017: 7.0 sen) per ordinary share in respect of the current financial year has been declared for payment to shareholders registered in the Register of Members on 14 March 2019. The special single-tier dividend shall be paid on 8 April 2019. Based on the issued and paid-up capital of the Company as at 31 December 2018, the special single-tier dividend would amount to RM269.5 million (2017: RM268.2 million). The special single-tier dividend has not been recognised in the Statement of Changes in Equity as it was declared subsequent to the financial year end.

At the forthcoming Annual General Meeting, a final single-tier dividend in respect of the financial year ended 31 December 2018 of 6.0 sen (2017: 6.0 sen) per ordinary share amounting to RM231.0 million (2017: RM229.9 million) will be proposed for shareholders' approval. These financial statements do not reflect this final single-tier dividend which will be accrued as a liability upon approval by shareholders.

**16. PROPERTY, PLANT AND EQUIPMENT**

2018 Group	Freehold lands	Leasehold lands	Buildings and improvements	Plant, equipment and vehicles	Aircrafts, sea vessels and improvements	Construction in progress	Bearer plants	Total
<b>Net Book Value:</b>								
At 1 January, as previously reported	1,855.9	2,697.9	15,502.5	9,030.4	597.9	3,916.3	2,627.9	36,228.8
Purchase Price Allocation (“PPA”) adjustment relating to the acquisition of subsidiaries (see Note 44)	-	-	-	-	-	-	32.6	32.6
At 1 January, restated	1,855.9	2,697.9	15,502.5	9,030.4	597.9	3,916.3	2,660.5	36,261.4
Additions (including capitalised interest)	8.0	0.3	87.7	487.3	-	4,182.8	168.4	4,934.5
Disposals	(0.3)	-	-	(2.9)	(69.0)	-	-	(72.2)
Written off	-	-	(7.3)	(27.4)	-	(0.7)	-	(35.4)
Depreciation charged for the financial year	-	(42.0)	(502.8)	(1,242.9)	(33.2)	-	(108.5)	(1,929.4)
Transfer from/(to):	-	-	(17.5)	0.2	-	(7.2)	-	(24.5)
- Investment properties (see Note 18)	-	-	-	-	-	-	-	-
Depreciation and amortisation capitalised on bearer plants:	-	-	-	-	-	-	0.3	0.3
- Leasehold land use rights (see Note 19)	-	(0.6)	(5.1)	(4.5)	-	-	10.2	-
- Other assets	2.3	(2.1)	292.6	491.9	-	(784.7)	-	-
Reclassifications	-	(3.5)	(28.4)	-	(80.9)	-	-	(112.8)
Impairment losses	-	-	-	-	3.4	-	-	3.4
Reversal of impairment losses	-	(23.5)	37.9	54.9	-	(82.6)	-	(13.3)
Cost adjustments	20.3	8.1	5.4	(18.2)	0.9	35.1	(67.6)	(16.0)
Foreign exchange differences	-	-	-	-	-	-	-	-
At 31 December 2018	1,886.2	2,634.6	15,365.0	8,768.8	419.1	7,259.0	2,663.3	38,996.0
<b>At 31 December 2018:</b>								
Cost	1,886.2	3,138.3	19,773.7	20,146.9	547.8	7,259.0	3,301.6	56,053.5
Accumulated depreciation	-	(496.6)	(4,252.9)	(11,282.4)	(64.2)	-	(638.3)	(16,734.4)
Accumulated impairment losses	-	(7.1)	(155.8)	(95.7)	(64.5)	-	-	(323.1)
Net book value	1,886.2	2,634.6	15,365.0	8,768.8	419.1	7,259.0	2,663.3	38,996.0

**PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

<b>2017 Group</b>	<b>Freehold lands</b>	<b>Leasehold lands</b>	<b>Buildings and improvements</b>	<b>Plant, equipment and vehicles</b>	<b>Aircrafts, sea vessels and improvements</b>	<b>Construction in progress</b>	<b>Bearer plants</b>	<b>Total</b>
<b>Net Book Value:</b>								
At 1 January 2017	1,959.2	2,683.2	14,768.9	8,359.9	454.8	4,441.6	2,116.0	34,783.6
Additions (including capitalised interest)	0.4	124.2	142.0	788.1	288.0	2,262.9	209.9	3,815.5
Disposals	(0.1)	-	(24.0)	(6.6)	-	(0.4)	(0.3)	(31.4)
Written off	-	-	(15.0)	(37.8)	-	(3.9)	(0.3)	(57.0)
Depreciation charged for the financial year	-	(62.3)	(465.4)	(1,166.0)	(40.2)	-	(84.8)	(1,818.7)
Assets of subsidiaries acquired	-	-	18.5	33.0	-	40.4	567.4	659.3
Transfer from/(to):								
- Investment properties (see Note 18)	-	-	(1.1)	-	-	(0.1)	-	(1.2)
- Assets classified as held for sale (see Note 34)	-	-	(26.5)	(8.2)	(39.3)	-	-	(74.0)
Depreciation and amortisation capitalised on bearer plants:								
- Leasehold land use rights (see Note 19)	-	-	-	-	-	-	0.3	0.3
- Other assets	-	(0.4)	(6.1)	(4.0)	-	-	10.5	-
Reclassification	-	0.5	1,451.1	1,256.7	-	(2,708.3)	-	-
Impairment losses	(1.2)	(0.9)	(15.5)	(30.7)	(54.4)	-	-	(102.7)
Cost adjustments	0.9	1.5	1.9	(3.7)	(0.2)	2.7	-	3.1
Foreign exchange differences	(103.3)	(47.9)	(326.3)	(150.3)	(10.8)	(118.6)	(158.2)	(915.4)
At 31 December 2017	<u>1,855.9</u>	<u>2,697.9</u>	<u>15,502.5</u>	<u>9,030.4</u>	<u>597.9</u>	<u>3,916.3</u>	<u>2,660.5</u>	<u>36,261.4</u>
<b>At 31 December 2017:</b>								
Cost	1,857.1	3,152.1	19,442.3	19,561.8	725.6	3,916.3	3,220.4	51,875.6
Accumulated depreciation	-	(451.8)	(3,808.5)	(10,434.4)	(102.1)	-	(559.9)	(15,356.7)
Accumulated impairment losses	(1.2)	(2.4)	(131.3)	(97.0)	(25.6)	-	-	(257.5)
Net book value	<u>1,855.9</u>	<u>2,697.9</u>	<u>15,502.5</u>	<u>9,030.4</u>	<u>597.9</u>	<u>3,916.3</u>	<u>2,660.5</u>	<u>36,261.4</u>
<b>At 1 January 2017:</b>								
Cost	1,959.2	3,081.8	18,315.8	18,051.8	577.5	4,441.6	2,598.3	49,026.0
Accumulated depreciation	-	(397.1)	(3,429.8)	(9,620.1)	(110.0)	-	(482.3)	(14,039.3)
Accumulated impairment losses	-	(1.5)	(117.1)	(71.8)	(12.7)	-	-	(203.1)
Net book value	<u>1,959.2</u>	<u>2,683.2</u>	<u>14,768.9</u>	<u>8,359.9</u>	<u>454.8</u>	<u>4,441.6</u>	<u>2,116.0</u>	<u>34,783.6</u>

## PROPERTY, PLANT AND EQUIPMENT (Cont'd)

### Notes:

- (a) During the current financial year, the Group has capitalised borrowing costs amounting to RM265.3 million (2017: RM172.8 million) on qualifying assets.
- (b) The Group has carried out the impairment assessments on property, plant and equipment with an indication of impairment. Details are as follows:

### Bimini operations (“Bimini Assets”)

The Group has carried out an impairment assessment on these assets with carrying amount of RM1,403.1 million (2017: RM1,333.4 million) in view of the continued losses recorded since the commencement of the Bimini operations. The recoverable amount of Bimini Assets is determined based on the value in use (“VIU”) method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a nine-year period (2017: eight-year period). Cash flows beyond the nine-year period (2017: eight-year period) were extrapolated using the estimated growth rate.

Key assumptions used in the VIU calculations are as follows:

	<b>Group</b>	
	<b>2018</b>	2017
Growth rate	<b>2.3%</b>	2.3%
Short term discount rate	<b>9.6%</b>	8.4%
Long term discount rate	<b>7.4%</b>	6.7%
Hotel occupancy rate	<b>53% - 83%</b>	57% - 81%

Based on the impairment assessment, no impairment loss has been recognised for Bimini Assets (2017: Nil).

If the growth rate is reduced to 1.65% and all other variables including tax rate are being held constant, this will give rise to an impairment loss of RM28.1 million. If the short term discount rate is increased to 10.8% and all other variables including tax rate are being held constant, this could give rise to an impairment loss of RM16.8 million. If the long term discount rate is increased to 7.95% and all other variables including tax rate are being held constant, this will result in an impairment loss of RM10.2 million.

### Resorts World Birmingham operations (“RWB Assets”)

The Group has carried out an impairment assessment on RWB assets of RM729.7 million in view of the continued losses recorded since the commencement of RWB operations. The recoverable amount of RWB Assets is determined based on the higher of FVLCTS and VIU. Based on management’s assessment, VIU is higher. Estimates of fair value have been determined with reference to an external valuation performed during the year, and prepared in accordance with RICS valuation professional standards, as published by the Royal Institution of Chartered Surveyors, on the basis of market value. Cash flow projections used in determining the VIU were based on financial budgets approved by management covering a ten-year period. Cash flows beyond the ten-year period were extrapolated using the estimated growth rate.

**PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

(b) Resorts World Birmingham operations (“RWB Assets”) (cont'd)

Key assumptions used in the VIU calculations are as follows:

	<b>Group 2018</b>
Discount rate	<b>7.2%</b>
Long term EBITDA growth rate	<b>2.0%</b>

Based on the impairment assessment, no impairment loss has been recognised for RWB Assets.

If the discount rate is increased by 0.2% and all other variables including tax rate are being held constant, this could indicate an impairment loss of RM37.1 million on RWB Assets. If the long term EBITDA growth rate decreased by 0.25%, this will result in an impairment loss of RM31.8 million.

Outdoor theme park assets at Resorts World Genting (“Theme Park Assets”)

The Group have carried out an impairment assessment on the recoverability of the Theme Park Assets of RM2,590.9 million in view of the uncertainty of the outcome of the on-going litigation (see Note 46), which is in its early stage.

The recoverable amount of Theme Park Assets is determined based on the VIU method, one appropriate method available to support the carrying amount of property, plant and equipment. For purposes of this impairment assessment only, cash flow projections used in this calculation were based on the approved financial budgets covering a thirteen-year period. Cash flows beyond the thirteen-year period were extrapolated using the estimated growth rate.

The key assumptions used in the VIU calculation are long term growth rate of 3.0%, discount rate of 8.0% and number of visitors.

Based on the impairment assessment, no impairment loss has been recognised for Theme Park Assets as at 31 December 2018.

If the long term growth rate is reduced to 2.5% and all other variables including tax rate are being held constant, this will give rise to an impairment loss of RM231.5 million on Theme Park Assets. If the discount rate is 8.5% and all other variables including tax rate are being held constant, this could indicate an impairment loss of RM400.0 million on Theme Park Assets. If the number of visitors decreased by 4.8%, this will result in an impairment loss of RM304.9 million.

**PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

- (c) Certain freehold land and buildings and improvements of the casino business in the UK amounting to RM669.2 million (31 December 2017: RM693.1 million, 1 January 2017: Nil) have been pledged as collateral for the Group's GBP borrowings.
- (d) Property, plant and equipment with a carrying amount of approximately RM378.8 million (31 December 2017: RM432.8 million, 1 January 2017: RM422.8 million) have been pledged as collateral for the borrowings in the Group's power business and plantation business.
- (e) As at 31 December 2017, banker's guarantees of SGD10.0 million (equivalent to approximately RM30.3 million) were obtained and held by Sentosa Development Corporation ("SDC"), as part of the conditions in the Development Agreement entered into with SDC. Pursuant to the terms of the Development Agreement, SDC returned these banker's guarantees which were subsequently cancelled by the issuing banks in July 2018.

Bank borrowings of Genting Singapore Group are substantially secured over assets of the Singapore leisure and hospitality business segment.

- (f) During the current financial year, Genting Singapore Group has drawn up plans to retire certain assets. The estimated useful lives of these assets have been revised in accordance with the plans. The changes in estimates were applied prospectively. This has resulted in an increase in the depreciation expense of RM126.0 million in current financial year. This change in estimated useful lives is expected to result in an increase in depreciation expense of about RM294.8 million and RM56.9 million in financial years 2019 and 2020, respectively.
- (g) During the current financial year, the Group recognised impairment loss on property, plant and equipment amounting to RM112.8 million (2017: RM102.7 million), on the basis that the carrying amount exceeded its recoverable amount, given the challenging market condition in the current financial year. These are mainly assets in the Leisure and Hospitality segment. RM80.9 million of the impairment loss arose from aircraft of which the recoverable amounts of these aircrafts were determined based on the FVLCTS method. Estimates of fair value on these aircrafts were determined using recent transaction prices by an independent third party. The recoverable amounts of other property, plant and equipment were determined using the VIU method.



**PROPERTY, PLANT AND EQUIPMENT (Cont'd)**

<b>2018 Company</b>	<b>Freehold buildings and improvements</b>	<b>Plant, equipment and vehicles</b>	<b>Total</b>
<b>Net Book Value:</b>			
At 1 January 2018	-	2.8	2.8
Additions	-	0.5	0.5
Depreciation	-	(0.7)	(0.7)
At 31 December 2018	-	2.6	2.6
<b>At 31 December 2018:</b>			
Cost	3.6	11.8	15.4
Accumulated depreciation	(3.6)	(9.2)	(12.8)
Net book value	-	2.6	2.6
<b>2017 Company</b>			
<b>Net Book Value:</b>			
At 1 January 2017	0.1	1.9	2.0
Additions	-	1.7	1.7
Depreciation	(0.1)	(0.8)	(0.9)
At 31 December 2017	-	2.8	2.8
<b>At 31 December 2017:</b>			
Cost	8.8	18.8	27.6
Accumulated depreciation	(8.8)	(16.0)	(24.8)
Net book value	-	2.8	2.8
<b>At 1 January 2017:</b>			
Cost	8.8	18.7	27.5
Accumulated depreciation	(8.7)	(16.8)	(25.5)
Net book value	0.1	1.9	2.0

**17. PROPERTY DEVELOPMENT ACTIVITIES**

	<b>2018</b>	<b>Group</b>	<b>2017</b>
(a) Land held for property development:			
Freehold land	<b>191.6</b>		194.0
Leasehold land	<b>72.2</b>		68.1
Development costs	<b>112.4</b>		122.2
Accumulated impairment	<b>(5.5)</b>		(5.5)
	<b><u>370.7</u></b>		<b><u>378.8</u></b>
At 1 January			
- freehold land	<b>194.0</b>	196.3	
- leasehold land	<b>68.1</b>	68.1	
- development costs	<b>122.2</b>	114.5	
- accumulated impairment	<b>(5.5)</b>	(4.7)	374.2
Costs incurred during the financial year			
- leasehold land	<b>4.1</b>	-	
- development costs	<b>4.5</b>	6.2	6.2
Costs charged to profit or loss	<b>(0.1)</b>		-
Write-down charged to profit or loss	-		(0.8)
Costs transferred to property development costs (see Note 17(b))			
- freehold land	<b>(2.3)</b>	(2.4)	
- development costs	<b>(14.3)</b>	(4.4)	(6.8)
Costs transferred from assets classified as held for sale			
- freehold land	-	0.1	
- development costs	-	5.9	6.0
At 31 December	<b><u>370.7</u></b>		<b><u>378.8</u></b>
(b) Property development costs:			
Freehold land	<b>5.2</b>		4.2
Development costs	<b>84.3</b>		48.7
Accumulated costs charged to income statement	<b>(44.7)</b>		(21.7)
	<b><u>44.8</u></b>		<b><u>31.2</u></b>
At 1 January			
- freehold land	<b>4.2</b>	2.7	
- development costs	<b>48.7</b>	68.3	
- accumulated costs charged to income statement	<b>(21.7)</b>	(21.0)	50.0
Costs incurred during the financial year			
- development costs	<b>68.1</b>		47.6
Costs charged to income statement	<b>(55.3)</b>		(44.1)
Costs transferred from land held for property development (see Note 17(a))	<b>16.6</b>		6.8
Costs transferred to inventories			
- freehold land	<b>(1.3)</b>	(0.9)	
- development costs	<b>(46.8)</b>	(71.6)	
- accumulated costs charged to income statement	<b>32.3</b>	43.4	(29.1)
At 31 December	<b><u>44.8</u></b>		<b><u>31.2</u></b>

**18. INVESTMENT PROPERTIES**

	<b>Group</b>		
	<b>2018</b>	2017	
<b>Net Book Value:</b>			
At 1 January	<b>1,965.3</b>	2,099.6	
Additions	<b>0.1</b>	51.2	
Transfer from property, plant and equipment (see Note 16)	<b>24.5</b>	1.2	
Depreciation charged for the financial year	<b>(16.5)</b>	(15.8)	
Derecognition of investment property	<b>-</b>	(41.5)	
Foreign exchange differences	<b>21.8</b>	(129.4)	
At 31 December	<b><u>1,995.2</u></b>	<u>1,965.3</u>	
	<b>31.12.2018</b>	31.12.2017	1.1.2017
Cost	<b>2,329.3</b>	2,277.0	2,425.1
Accumulated depreciation	<b>(300.6)</b>	(278.0)	(289.3)
Accumulated impairment losses	<b>(33.5)</b>	(33.7)	(36.2)
Net book value	<b><u>1,995.2</u></b>	<u>1,965.3</u>	<u>2,099.6</u>
Fair value at end of the financial year	<b><u>3,956.9</u></b>	<u>3,650.7</u>	<u>3,590.9</u>

Certain investment properties within the UK business segment amounting to RM179.2 million (31 December 2017: RM185.8 million, 1 January 2017: Nil) have been pledged as collateral for the Group's GBP borrowings.

Fair values of the Group's investment properties at the end of the financial year have been determined by independent professional valuers based on the market comparison approach that reflect the recent transaction prices for similar properties in size and type within the vicinity and are within Level 2 of the fair value hierarchy, except for the Group's investment properties in Miami, Florida, US which have been determined by independent professional valuers based on the income approach of the respective properties and are within Level 3 of the fair value hierarchy. The recoverable amounts of the Group's properties at Omni Center in the City of Miami, Florida, US were assessed together with the related goodwill arising from the acquisition of Omni Center. The calculations require the use of estimates as set out in Note 20.

The aggregate rental income and direct operating expenses arising from investment properties of the Group that generated rental income which was recognised during the financial year amounted to RM85.7 million and RM39.6 million (2017: RM87.8 million and RM53.5 million) respectively.

The direct operating expenses incurred from investment properties of the Group which did not generate rental income during the financial year amounted to RM7.6 million (2017: RM7.4 million).

**19. LEASEHOLD LAND USE RIGHTS**

	<b>Group</b>		
	<b>2018</b>		2017
<b>Net Book Value:</b>			
At 1 January	<b>641.0</b>		495.8
Additions	<b>37.5</b>		50.4
Assets of subsidiaries acquired	-		163.3
Disposal of a subsidiary	-		(43.0)
Amortisation	<b>(4.3)</b>		(1.7)
Amortisation capitalised under property, plant and equipment (see Note 16)	<b>(0.3)</b>		(0.3)
Foreign exchange differences	<b>(9.3)</b>		(23.5)
At 31 December	<b>664.6</b>		641.0
	<b>31.12.2018</b>	31.12.2017	1.1.2017
Cost	<b>692.7</b>	665.2	519.6
Accumulated amortisation	<b>(28.1)</b>	(24.2)	(23.8)
Net book value	<b>664.6</b>	641.0	495.8

Leasehold land use rights of certain subsidiaries with an aggregate carrying value of RM540.6 million (31 December 2017: RM469.1 million, 1 January 2017: RM398.9 million) have been pledged as securities for borrowings.

The Group holds land use rights in Indonesia in the form of Hak Guna Usaha ("HGU"), which give the rights to cultivate land for agricultural purposes with expiry dates between 2037 and 2053. The Group also holds other rights relating to certain plots of land in Indonesia and the Group is at various stages of the application process in converting such rights to HGU.

**20. INTANGIBLE ASSETS**

<b>Group</b>	<b>Goodwill</b>	<b>Casino licences</b>	<b>Licences</b>	<b>Trademarks</b>	<b>Other intangibles</b>	<b>Total</b>
<b>Net Book Value:</b>						
At 1 January 2018	951.1	2,265.7	2,463.9	76.9	146.2	5,903.8
Foreign exchange differences	6.9	(64.2)	57.1	(2.1)	1.7	(0.6)
Additions	-	-	-	-	25.0	25.0
Written off	-	-	-	-	(4.0)	(4.0)
Amortisation	-	(65.9)	(116.6)	-	(8.1)	(190.6)
Impairment losses	(41.6)	-	(14.9)	-	-	(56.5)
At 31 December 2018	<b>916.4</b>	<b>2,135.6</b>	<b>2,389.5</b>	<b>74.8</b>	<b>160.8</b>	<b>5,677.1</b>
<b>At 31 December 2018:</b>						
Cost	2,331.4	2,770.8	3,205.4	74.8	250.0	8,632.4
Accumulated amortisation	-	(194.5)	(796.0)	-	(53.4)	(1,043.9)
Accumulated impairment losses	(1,415.0)	(440.7)	(19.9)	-	(35.8)	(1,911.4)
Net book value	<b>916.4</b>	<b>2,135.6</b>	<b>2,389.5</b>	<b>74.8</b>	<b>160.8</b>	<b>5,677.1</b>
<b>Net Book Value:</b>						
At 1 January 2017	988.8	2,506.8	2,826.7	77.3	127.8	6,527.4
Foreign exchange differences	(33.5)	(11.2)	(238.3)	(0.4)	(5.5)	(288.9)
Additions	-	-	-	-	33.9	33.9
Amortisation	-	(68.5)	(124.5)	-	(7.6)	(200.6)
Adjustments (see note (a) Goodwill- Indonesia (ii) below)	(4.2)	-	-	-	-	(4.2)
Impairment losses	-	(161.4)	-	-	(2.4)	(163.8)
At 31 December 2017	<b>951.1</b>	<b>2,265.7</b>	<b>2,463.9</b>	<b>76.9</b>	<b>146.2</b>	<b>5,903.8</b>
<b>At 31 December 2017:</b>						
Cost	2,363.0	2,845.6	3,128.9	76.9	229.5	8,643.9
Accumulated amortisation	-	(127.0)	(659.9)	-	(46.6)	(833.5)
Accumulated impairment losses	(1,411.9)	(452.9)	(5.1)	-	(36.7)	(1,906.6)
Net book value	<b>951.1</b>	<b>2,265.7</b>	<b>2,463.9</b>	<b>76.9</b>	<b>146.2</b>	<b>5,903.8</b>
<b>At 1 January 2017:</b>						
Cost	2,413.1	2,863.6	3,423.9	77.3	205.2	8,983.1
Accumulated amortisation	-	(61.4)	(592.0)	-	(40.7)	(694.1)
Accumulated impairment losses	(1,424.3)	(295.4)	(5.2)	-	(36.7)	(1,761.6)
Net book value	<b>988.8</b>	<b>2,506.8</b>	<b>2,826.7</b>	<b>77.3</b>	<b>127.8</b>	<b>6,527.4</b>

The other intangible assets comprised software development, patents and research and development costs.

Included in the licences is an amount of RM2,321.4 million (31 December 2017: RM2,362.6 million, 1 January 2017: RM2,701.0 million) which has been pledged as collateral for the Genting Malaysia Group's USD borrowing.

**INTANGIBLE ASSETS (Cont'd)**(a) Impairment tests for goodwill and other intangible assets with indefinite useful lives

Goodwill and other intangible assets with indefinite useful lives are allocated to the Group's cash-generating units ("CGU") identified according to geographical area and business segments.

A segment-level summary of the Group's net book value of goodwill and other intangible assets with indefinite useful lives allocation is as follows:

<b>Group</b>	<b>2018</b>	<b>2017</b>
Goodwill – leisure and hospitality segment:		
Malaysia	<b>277.1</b>	277.1
United Kingdom	<b>26.7</b>	27.4
United States of America	<b>44.0</b>	42.0
Singapore	<b>380.8</b>	379.3
	<hr/>	<hr/>
Goodwill – others:		
United Kingdom – investment and others segment	<b>40.9</b>	82.1
Indonesia – plantation and oil and gas segment	<b>146.9</b>	143.2
	<hr/>	<hr/>
Intangible assets other than goodwill:		
United Kingdom – leisure and hospitality segment		
- casino licences	<b>2,129.1</b>	2,192.4
- trademarks	<b>71.6</b>	73.7
Isle of Man – leisure and hospitality segment		
- trademarks	<b>3.2</b>	3.2
	<hr/>	<hr/>

Goodwill – Malaysia

The impairment test for goodwill relating to the Malaysia CGU was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management covering a three-year period. Cash flows beyond the three-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the leisure & hospitality industry in which the CGU operates.

Key assumptions used in the VIU calculation for 2018 include a growth rate and discount rate of 3.5% and 8.8% (2017: 1.0% and 10.2%) respectively.

Based on the impairment assessment, no impairment is required for goodwill attributed to the Malaysia CGU (2017: Nil).

If the growth rate is reduced by 0.35% and all other variables including tax rate are being held constant, the impairment loss of intangible assets will increase by RM50.3 million.

If the discount rate is 0.3% higher and all other variables including tax rate are being held constant, the impairment loss of intangible assets and property, plant and equipment will increase by RM31.6 million.

In previous financial year, there was no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.

## INTANGIBLE ASSETS (Cont'd)

### Goodwill and other intangible assets – UK

(i) Goodwill and other intangible assets with indefinite useful lives – casino business in UK

Goodwill arising from the acquisition of UK casino business is allocated to the leisure and hospitality segment in UK for the purposes of impairment review. The casino licences, considered to have indefinite useful lives, are assigned to smaller CGU for the purposes of impairment review. Casinos that are located within the same “permitted” area where the nature of the customers is such that they move between casinos, these casinos have then been grouped together and treated as a single CGU. This has resulted in 27 separate CGUs for purposes of impairment review in 2018 (2017: 27 CGUs).

The recoverable amounts of goodwill, casino licences and trademarks in the UK were determined based on the higher of fair value less cost to sell and value in use. Estimate of fair value have been determined with reference to an external valuation and is within Level 3 of fair value hierarchy. VIU has been calculated using cash flow projections with a “base” cash flow for 2019 calculated using a combination of historic financial information (5 years) and financial projections for the following year. The base cash flows has been extrapolated for a further 4 years using an annual and long term growth rate of 2.0% (2017: 2.0%), including inflation.

Key assumptions used for VIU calculations include:

	<b>Leisure and hospitality</b>	
	<b>2018</b>	<b>2017</b>
Growth rate	<b>2.00%</b>	2.00%
Discount rate	<b>7.75%</b>	7.75%

The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGUs operate and is consistent with the forecasts included in industry reports.

Based on the above impairment assessment, no impairment is required for casino business in UK (2017: impairment losses of RM161.4 million on casino licences and RM2.0 million on property, plant and equipment in respect of casino business in UK).

If the growth rate is reduced to 1.75% (2017: 1.75%) and all other variables including tax rate are being held constant, there would be impairment losses of intangible assets and property, plant and equipment of RM7.0 million (2017: impairment losses increase by RM67.0 million).

If the discount rate is 0.25% (2017: 0.25%) higher and all other variables including tax rate are being held constant, there would be impairment losses of intangible assets and property, plant and equipment of RM8.6 million (2017: impairment losses increase by RM65.4 million).

## INTANGIBLE ASSETS (Cont'd)

### Goodwill and other intangible assets – UK (cont'd)

(ii) Goodwill – Acquisition of DNAe Group Holdings Limited (“DNAe Group”) and DNA Electronics, Inc (“DNA Electronics”)

The impairment test for goodwill relating to the acquisition of DNAe Group and DNA Electronics was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets covering a twelve-year period in consideration of its nature of the business in research and development which requires a longer period. Cash flows beyond the twelve-year period were extrapolated using the estimated growth rate stated below.

Key assumptions used in the VIU calculation include a growth rate and discount rate of 1.0% and 30% (2017: 1.0% and 30%) respectively.

Based on the impairment assessment and discontinuation of one of the two research and development programs in 2018, the Group recorded an impairment loss of RM41.6 million on the goodwill attributed to the acquisition of DNAe Group and DNA Electronics.

If a change in the discount rate to above 38%, and other variables including tax rate being held constant, the remaining goodwill of RM40.9 million will be fully impaired.

### Goodwill – United States of America (“US”)

The goodwill attributable to the US CGU arose from the acquisition of Omni Center in the City of Miami, Florida, US.

The Group has engaged an independent professional valuer to carry out a formal valuation of Omni Center, which includes a hotel and office building in 2018. The fair value of the retail shops and development parcel is determined based on valuation carried out by an independent property valuer in 2017. The recoverable amounts of the Omni Center were determined based on the FVLCTS of the respective properties using the income approach and are within Level 3 of the fair value hierarchy. Key assumptions used include growth rates of 3.0% to 7.0% (2017: 3.0% to 6.4%) and discount rates of 15.5% to 24.4% (2017: 17.5% to 23.8%). Based on the impairment assessment, no impairment is required for goodwill attributed to the US CGU.

There are no reasonably possible changes in any of the key assumptions used that would cause the carrying amount of this CGU to materially exceed the recoverable amount.



## INTANGIBLE ASSETS (Cont'd)

### Goodwill – Singapore

The goodwill attributed to the Singapore CGU mainly arose from the acquisition of Resorts World at Sentosa Pte. Ltd. which has developed the first integrated resort in Singapore. The impairment test for goodwill relating to the Singapore CGU was assessed using the VIU method. Cash flow projections used in this calculation were based on financial budgets approved by management. The cash flow projection covers a five-year period. Cash flows beyond the five-year period were extrapolated using the estimated growth rate stated below. The growth rate did not exceed the long-term average growth rate for the leisure and hospitality industry in which the CGU operates.

Key assumptions used in the VIU calculation for 2018 include a growth rate and discount rate of 2.00% and 7.31% (2017: 2.00% and 6.24%) respectively.

Based on the impairment assessment, no impairment is required for goodwill attributed to the Singapore CGU. A reasonably possible change in a key assumption on which management has based its determination of the CGU's recoverable amount would not cause its carrying amount to exceed its recoverable amount.

### Goodwill – Indonesia

#### (i) Acquisition of AsianIndo Holdings Pte Ltd (“AIH”)

Goodwill arose due to the Group's acquisition in AsianIndo Holdings Pte Ltd. The impairment test for goodwill was based on FVLCTS model, benchmarking to the most recent transacted prices of plantation lands in Indonesia.

#### (ii) Acquisition of PT Varita Majutama (“PTVM”)

Goodwill arose from the acquisition of 95% equity interest in PTVM which was completed on 18 July 2014. In the previous financial year, PTVM participated in the Indonesian Government's tax amnesty programme which resulted an increase in the net assets by RM4.2 million and a corresponding decrease in goodwill of the same amount. The impairment of goodwill was assessed collectively with exploration costs (see Note 21) as the acquisition of PTVM was in relation to the Group's oil and gas activities.

#### (b) Licences with definite useful lives

Included in licences as at 31 December 2018 is an amount of RM26.9 million (31 December 2017: RM26.9 million, 1 January 2017: RM30.4 million) related to casino licences of Bimini operations. The Group carried out the impairment assessment of the casino licences together with the Bimini Assets as disclosed in Note 16(b).

All the above impairment assessments are based on past performance, management's expectations for the future and external sources where applicable.

**21. RIGHTS OF USE OF OIL AND GAS ASSETS**

<b>2018 Group</b>	<b>Exploration costs</b>	<b>Rights and concessions</b>	<b>Production wells, related equipment and facilities</b>	<b>Development costs - work- in-progress</b>	<b>Total</b>
<b>Cost:</b>					
At 1 January 2018	2,936.9	745.4	270.7	-	3,953.0
Additions	2.6	-	61.2	21.0	84.8
Reclassification	(1,853.0)	-	-	1,853.0	-
Adjustments ( <i>see note (i) below</i> )	(109.7)	-	-	(45.2)	(154.9)
Foreign exchange differences	75.1	19.1	6.9	(0.2)	100.9
At 31 December 2018	<b>1,051.9</b>	<b>764.5</b>	<b>338.8</b>	<b>1,828.6</b>	<b>3,983.8</b>
<b>Depletion, depreciation and amortisation:</b>					
At 1 January 2018	-	(191.4)	(153.5)	-	(344.9)
Charge for the financial year	-	(45.3)	(37.6)	-	(82.9)
Foreign exchange differences	-	(6.6)	(5.2)	-	(11.8)
At 31 December 2018	-	<b>(243.3)</b>	<b>(196.3)</b>	-	<b>(439.6)</b>
<b>Net book value:</b>					
As at 31 December 2018	<b>1,051.9</b>	<b>521.2</b>	<b>142.5</b>	<b>1,828.6</b>	<b>3,544.2</b>
<b>2017 Group</b>					
<b>Cost:</b>					
At 1 January 2017	3,196.9	817.8	339.5	-	4,354.2
Additions	30.2	-	0.7	-	30.9
Written off	(7.4)	-	-	-	(7.4)
Adjustments ( <i>see note (ii) below</i> )	-	-	(39.4)	-	(39.4)
Foreign exchange differences	(282.8)	(72.4)	(30.1)	-	(385.3)
At 31 December 2017	<b>2,936.9</b>	<b>745.4</b>	<b>270.7</b>	-	<b>3,953.0</b>
<b>Depletion, depreciation and amortisation:</b>					
At 1 January 2017	-	(156.6)	(127.9)	-	(284.5)
Charge for the financial year	-	(51.3)	(38.9)	-	(90.2)
Foreign exchange differences	-	16.5	13.3	-	29.8
At 31 December 2017	-	<b>(191.4)</b>	<b>(153.5)</b>	-	<b>(344.9)</b>
<b>Net book value:</b>					
As at 31 December 2017	<b>2,936.9</b>	<b>554.0</b>	<b>117.2</b>	-	<b>3,608.1</b>
As at 1 January 2017	<b>3,196.9</b>	<b>661.2</b>	<b>211.6</b>	-	<b>4,069.7</b>

*Notes:*

- (i) *Adjustments in the current financial year were due to changes in accrued capital expenditure upon finalisation of integrated drilling services.*
- (ii) *Adjustments in the previous financial year were due to changes in estimates for asset retirement obligations and accrued capital expenditure finalised.*

## **RIGHTS OF USE OF OIL AND GAS ASSETS (Cont'd)**

Exploration and development costs comprise of drilling and field operation support costs for Kasuri block in Indonesia. These costs remain capitalised as the Group is committed to continue exploring these interests.

Rights of use of oil and gas assets with a carrying amount of approximately RM582.1 million (31 December 2017: RM591.7 million, 1 January 2017: RM785.5 million) have been pledged as collateral as at 31 December 2018 for the USD borrowing in the Group's oil and gas business.

In April 2018, Genting Oil Kasuri Pte Ltd ("GOKPL"), an indirect subsidiary of the Company, has received approval from the Ministry of Energy and Mineral Resources of the Republic of Indonesia for a first phase Plan of Development for the Asap, Merah and Kido fields. These fields are within the concession area for the Kasuri Block in West Papua, Indonesia, awarded to GOKPL pursuant to a production sharing contract signed in May 2008 between GOKPL and BP MIGAS, (the "Kasuri PSC") the Indonesian oil and gas regulator (which had since been succeeded by SKK MIGAS). The concession period for GOKPL for the Kasuri PSC ends in 2038.

Rights of use of oil and gas assets for Kasuri block of RM2,962.1 million (31 December 2017: RM3,016.4 million, 1 January 2017: RM3,889.3 million) has been allocated into two Cash Generating Units ("CGU") – Asap, Merah and Kido fields ("AMK CGU"), grouped under development costs and other fields ("Others CGU"), grouped under exploration costs. The recoverable amount of AMK CGU was assessed based on the VIU method. VIU has been calculated using discounted cash flow projections over the concession period based on the proposed structures as outlined in the approved Plan of Development. Key assumptions used for the cash flow projections include a projected gas price, escalated at 2.0% (2017: 2.0%) per annum, a discount rate of 9.5% (2017: 8.5%) and gas production profile based on independent oil and gas reserve experts. Based on the impairment assessment, no impairment is required for AMK CGU.

The calculation of VIU from the discounted cash flow projections is sensitive to the assumptions set out above. If the gas price is reduced by 9.6% (2017: 14.1%) or the discount rate is increased to 10.6% (2017: 10.1%), the VIU will approximate the carrying amount for AMK CGU.

Others CGU together with the goodwill which arose from the acquisition of a 95% equity interest in PTVM were assessed collectively in accordance with MFRS 6 "Exploration for and Evaluation of Mineral Resources". Based on the assessment, there is no impairment indicator as at 31 December 2018 (2017: Nil) as the Group continues to carry out its exploration and evaluation works in this CGU.

**22. SUBSIDIARIES**

	<b>31.12.2018</b>	<b>Company</b> 31.12.2017	1.1.2017
Investment in subsidiaries:			
Quoted shares in Malaysia – at cost	<b>803.2</b>	803.2	803.2
Unquoted shares – at cost	<b>14,684.9</b>	14,137.7	13,897.2
	<b>15,488.1</b>	14,940.9	14,700.4
Less: Accumulated impairment losses	<b>(1,487.1)</b>	(654.5)	(343.0)
	<b>14,001.0</b>	14,286.4	14,357.4
Market value of quoted shares	<b>12,536.7</b>	19,946.3	17,151.8
Amounts due from subsidiaries are unsecured and comprise:			
Current:			
Interest free	<b>136.5</b>	183.0	275.4
Less: Accumulated impairment losses	<b>(103.0)</b>	(116.6)	-
	<b>33.5</b>	66.4	275.4
Non-current:			
Interest free	<b>369.5</b>	68.7	68.7
Less: Accumulated impairment losses	<b>(13.6)</b>	-	-
	<b>355.9</b>	68.7	68.7
	<b>389.4</b>	135.1	344.1
Amounts due to subsidiaries are unsecured and comprise:			
Current:			
Interest bearing	<b>1,596.2</b>	-	99.1
Interest free	<b>70.6</b>	62.5	56.4
	<b>1,666.8</b>	62.5	155.5
Non-current:			
Interest bearing	<b>1,997.0</b>	3,592.8	3,592.5
	<b>3,663.8</b>	3,655.3	3,748.0

The subsidiaries are listed in Note 49.

- (a) The market values of quoted shares are traded in an active market and are within Level 1 of the fair value hierarchy.
- (b) Included in the interest bearing amounts due to subsidiaries are loans obtained by the Company from the following subsidiaries:
- (i) RM1.45 billion loan from GB Services Berhad, a wholly owned subsidiary of the Company on 12 November 2009. The loan bears an effective interest rate of 5.3% (2017: 5.3%) per annum. The entire principal amount of the loan shall be repaid by 8 November 2019 provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) 8 November 2019; or (ii) request(s) from GB Services Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan. This loan including its accrued interest has been reclassified to current liability as at 31 December 2018.

### **SUBSIDIARIES (Cont'd)**

- (ii) RM0.5 billion loan from Genting Capital Berhad, a wholly owned subsidiary of the Company on 8 June 2012. The loan bears an effective interest rate of 4.42% (2017: 4.42%) per annum. The entire principal amount of the loan shall be repaid by 8 June 2022 provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) 8 June 2022; or (ii) request(s) from Genting Capital Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan.
- (iii) RM1.5 billion loan from Genting Capital Berhad, a wholly owned subsidiary of the Company on 8 June 2012. The loan bears an effective interest rate of 4.86% (2017: 4.86%) per annum. The entire principal amount of the loan shall be repaid by 8 June 2027 provided always that the entire principal amount or any portion thereof, and any accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) 8 June 2027; or (ii) request(s) from Genting Capital Berhad for early prepayment of the loan or any portions thereof; or (iii) the acceleration of the loan.

The subsidiary has given an undertaking not to demand repayment of the total RM2.0 billion loan from Genting Capital Berhad in the next 12 months from end of reporting date.

- (iv) The total outstanding loan of RM99.1 million from Suasana Duta Sdn Bhd, a wholly owned subsidiary of the Company, has been fully repaid in the previous financial year ended 31 December 2017.

Fair value of the interest bearing amounts due to subsidiaries as at 31 December 2018 was RM3,620.5 million (2017: RM3,616.6 million). The fair values have been estimated from the prospective market participants that hold similar borrowings and are within Level 2 of the fair value hierarchy. Other amounts due from/to subsidiaries have no fixed repayment terms and the carrying amounts approximate their fair values.

- (c) As at 31 December 2018, the Company's percentage shareholding in Genting Malaysia was 49.5% (2017: 49.3%).

Genting Malaysia's financial results are consolidated with those of the Company as its subsidiary notwithstanding the Company's shareholding of less than 50% in Genting Malaysia. The Company is the single largest shareholder of Genting Malaysia with all other shareholders having dispersed shareholding, and has consistently and regularly held a majority of the voting rights exercised at Genting Malaysia's general meetings, and no other shareholder directly or indirectly controls a higher share of voting rights than the Company. In addition, the Company has control over Genting Malaysia by virtue of the ability to manage the financial and operating policies of Genting Malaysia's principal asset, Resorts World Genting, pursuant to an agreement between one of the Company's wholly owned subsidiaries and Genting Malaysia.

- (d) During the current financial year, the Company subscribed to 80,000 Convertible, Non-Cumulative Irredeemable Preference Shares issued by its wholly owned subsidiary, Peak Avenue Limited, which amounted to RM311.2 million.
- (e) During the current financial year, the Company subscribed to 58,242,000 Convertible, Non-Cumulative Irredeemable Preference Shares issued by its wholly owned subsidiary, Genting Genomics Limited, which amounted to RM236.0 million.

**SUBSIDIARIES (Cont'd)**

(f) Summarised financial information on subsidiaries with material non-controlling interests

Set out below are the summarised financial information for each subsidiary that has non-controlling interests that are material to the Group. The financial information is based on amounts before inter-company eliminations.

**31 December 2018****Summarised financial information**

	<b>Genting Singapore</b>	<b>Genting Malaysia</b>	<b>Genting Plantations</b>
<b>Statements of Financial Position:</b>			
Current assets	13,787.4	9,338.9	2,136.0
Non-current assets	15,968.0	22,379.0	5,698.3
Current liabilities	(2,628.2)	(3,383.4)	(883.3)
Non-current liabilities	(3,421.5)	(10,381.2)	(2,638.5)
Net assets	<u>23,705.7</u>	<u>17,953.3</u>	<u>4,312.5</u>
Accumulated non-controlling interests of the Group at the end of the reporting year	<u>11,453.7</u>	<u>9,047.1</u>	<u>2,159.9</u>
<b>Income Statements:</b>			
Revenue for the financial year	7,597.5	9,927.6	1,902.9
Profit/(Loss) for the financial year	2,260.2	(86.3)	147.0
Total comprehensive income/(loss) for the financial year	<u>2,259.9</u>	<u>(44.4)</u>	<u>(73.7)</u>
Profit/(Loss) for the financial year attributable to non-controlling interests of the Group	<u>1,068.1</u>	<u>(77.3)</u>	<u>61.8</u>
<b>Statements of Cash Flows:</b>			
Cash inflows from operating activities	3,492.5	2,610.5	256.0
Cash outflows from investing activities	(320.9)	(1,821.2)	(116.9)
Cash (outflows)/inflows from financing activities	(2,021.6)	1,199.1	(402.3)
Net increase/(decrease) in cash and cash equivalents	<u>1,150.0</u>	<u>1,988.4</u>	<u>(263.2)</u>
Dividend paid to non-controlling interests of the Group	<u>606.8</u>	<u>543.8</u>	<u>100.4</u>

**SUBSIDIARIES (Cont'd)**

- (f) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

**31 December 2017****Summarised financial information**

	<b>Genting Singapore</b>	<b>Genting Malaysia</b>	<b>Genting Plantations</b>
<b>Statements of Financial Position:</b>			
Current assets	12,555.3	7,059.1	2,761.0
Non-current assets	16,589.9	22,909.3	5,712.3
Current liabilities	(2,627.8)	(3,253.1)	(990.4)
Non-current liabilities	(3,941.2)	(7,585.0)	(2,909.9)
Net assets	<u>22,576.2</u>	<u>19,130.3</u>	<u>4,573.0</u>
Accumulated non-controlling interests of the Group at the end of the reporting year	<u>10,904.6</u>	<u>9,717.5</u>	<u>2,300.9</u>
<b>Income Statements:</b>			
Revenue for the financial year	7,450.1	9,330.3	1,808.8
Profit for the financial year	2,134.7	1,072.6	341.9
Total comprehensive income for the financial year	<u>2,094.7</u>	<u>342.1</u>	<u>168.6</u>
Profit for the financial year attributable to non- controlling interests of the Group	<u>883.1</u>	<u>436.7</u>	<u>168.3</u>
<b>Statements of Cash Flows:</b>			
Cash inflows from operating activities	3,810.1	2,154.8	596.0
Cash inflows/(outflows) from investing activities	1,386.0	(2,280.6)	(813.8)
Cash (outflows)/inflows from financing activities	(8,417.9)	1,441.9	207.5
Net (decrease)/increase in cash and cash equivalents	<u>(3,221.8)</u>	<u>1,316.1</u>	<u>(10.3)</u>
Dividend paid to non-controlling interests of the Group	<u>516.2</u>	<u>502.7</u>	<u>97.5</u>

**SUBSIDIARIES (Cont'd)**

- (f) Summarised financial information on subsidiaries with material non-controlling interests (cont'd)

**1 January 2017****Summarised financial information**

	<b>Genting Singapore</b>	<b>Genting Malaysia</b>	<b>Genting Plantations</b>
<b>Statements of Financial Position:</b>			
Current assets	18,079.5	6,129.2	2,522.1
Non-current assets	17,349.7	21,765.2	4,956.8
Current liabilities	(1,958.1)	(4,032.9)	(443.5)
Non-current liabilities	(3,972.6)	(4,129.2)	(2,488.4)
Net assets	<u>29,498.5</u>	<u>19,732.3</u>	<u>4,547.0</u>
Accumulated non-controlling interests of the Group at the end of the reporting year	<u>10,748.6</u>	<u>10,145.3</u>	<u>2,268.5</u>

**23. JOINT VENTURES**

	<b>31.12.2018</b>	<b>Group 31.12.2017</b>	<b>1.1.2017</b>
Unquoted:			
Shares in foreign corporations	<b>1,370.0</b>	1,056.8	1,091.9
Shares in a Malaysian company	-	1.1	1.1
Group's share of post acquisition reserves	<b>297.8</b>	157.4	193.3
Less: Accumulated impairment losses	-	(1.5)	(1.5)
	<u><b>1,667.8</b></u>	<u>1,213.8</u>	<u>1,284.8</u>
Amounts due from joint ventures comprise:			
- non-current (see Note 28)	<b>136.8</b>	287.1	297.9
- current	<b>149.9</b>	4.2	3.8
	<u><b>286.7</b></u>	<u>291.3</u>	<u>301.7</u>
Amounts due to joint ventures comprise:			
- current	<u><b>(53.5)</b></u>	<u>(112.4)</u>	<u>(128.0)</u>



**JOINT VENTURES (Cont'd)**

The joint ventures are listed in Note 49.

The amounts due from joint ventures represent an unsecured and interest free loan to a joint venture which is repayable in tranches from 2019 to 2022 and the balance of purchase price receivable from the sale of land to Genting Simon Sdn Bhd (“Genting Simon”) by Genting Property Sdn Bhd, a wholly owned subsidiary of Genting Plantations. The amounts due from joint ventures included in current assets are expected to be receivable within the next twelve months. Amounts due to joint ventures are unsecured, interest free and repayable in demand.

During the current financial year, Elevance Renewable Sciences Inc. (“Elevance”) was reclassified from financial assets at FVTPL to a joint venture upon the completion of its debt restructuring exercise (“date of completion”) (see Note 27). The Group has completed the PPA in accordance with MFRS 128 “Investments in Associates and Joint Ventures” and consequently, goodwill of RM148.6 million has been recognised in the investment in joint ventures. Fair value of the net assets at date of completion was RM377.1 million which mainly comprised intangible assets amounting to RM270.2 million.

Further to the debt restructuring exercise, the Group subscribed to additional shares or a 7.46% stake in Elevance for a cash consideration amounting to RM35.8 million. The Group's interest was reduced to 47.77% following issuance of shares by Elevance to other investors. The loss from dilution of interest of RM1.8 million was recognised in the income statement.

The following table summarises, in aggregate, the financial information of all individually immaterial joint ventures that are accounted for using the equity method:

	<b>All Joint Ventures</b>	
	<b>2018</b>	2017
Carrying amount	<b><u>1,667.8</u></b>	<u>1,213.8</u>
Share of profit from continuing operations	<b>141.3</b>	38.8
Share of other comprehensive income/(loss)	<b>0.9</b>	(9.1)
Share of total comprehensive income	<b><u>142.2</u></b>	<u>29.7</u>

There are no contingent liabilities relating to the Group’s interest in joint ventures at the reporting date (31 December 2017 and 1 January 2017: Nil).

**24. ASSOCIATES**

	<b>Group</b>		
	<b>31.12.2018</b>	31.12.2017	1.1.2017
Unquoted – at cost:			
Shares in foreign corporations	<b>508.1</b>	592.2	659.5
Shares in Malaysian companies	<b>1.9</b>	2.1	2.1
Group’s share of post acquisition reserves	<b>217.1</b>	209.6	361.7
Less: Accumulated impairment losses	<b>(16.3)</b>	(83.7)	-
	<b><u>710.8</u></b>	<u>720.2</u>	<u>1,023.3</u>
Amounts due from associates comprise:			
- current	<b><u>4.4</u></b>	<u>1.1</u>	<u>7.0</u>

The associates are listed in Note 49.

The amounts due from/to associates represent outstanding amounts arising from trade transactions and advances and payments made on behalf of associates, are unsecured, interest free and repayable on demand.

In the previous financial year, the Group had impaired its investment in Lanco Kondapalli Power Limited (“Lanco Kondapalli”) due to the adverse performance of its power plant for a prolonged period. In November 2017, Lanco Kondapalli carried out a debt restructuring exercise to convert its debt into equity shares. Upon completion of this debt restructuring exercise, the Group’s shareholding in Lanco Kondapalli was reduced from 31.9% to 15.3%. Subsequent to the debt restructuring, Lanco Kondapalli ceased to be an associate and was reclassified as AFS.

In the previous financial year, the Group had also impaired a life sciences associated company which was in the process of being wound up. The associate was subsequently derecognised in 2018 as it was wound up.

The following table summarises, in aggregate, the financial information of all individually immaterial associates that are accounted for using the equity method:

	<b>All Associates</b>	
	<b>2018</b>	2017
Carrying amount	<b><u>710.8</u></b>	<u>720.2</u>
Share of loss from continuing operations	<b>(6.9)</b>	(85.9)
Share of other comprehensive income/(loss)	<b><u>13.3</u></b>	<u>(47.3)</u>
Share of total comprehensive income/(loss)	<b><u>6.4</u></b>	<u>(133.2)</u>

There are no contingent liabilities relating to the Group’s interest in associates at the reporting date (31 December 2017 and 1 January 2017: Nil).

**25. AVAILABLE-FOR-SALE FINANCIAL ASSETS**

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017*	1.1.2017
Equity investments in foreign corporations			
- Quoted	-	271.3	430.6
- Unquoted	-	1,151.4	1,351.6
Equity investments in Malaysian corporations			
- Quoted	-	115.8	100.5
- Unquoted	-	2.1	2.1
Debt securities in foreign corporations			
- Quoted	-	548.0	341.6
- Unquoted	-	116.9	260.3
Income funds in Malaysian corporation			
- Unquoted	-	620.0	1,250.0
	<u>-</u>	<u>2,825.5</u>	<u>3,736.7</u>
<b>Analysed as follows:</b>			
Current	-	868.1	1,619.7
Non-current	-	1,957.4	2,117.0
	<u>-</u>	<u>2,825.5</u>	<u>3,736.7</u>

\* Following the adoption of MFRS 9, these investments were classified as financial assets at FVOCI, financial assets at FVTPL and other receivables in 2018 (see Notes 26, 27 and 28).

**26. FINANCIAL ASSETS AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME**

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017*	1.1.2017
Equity investments in foreign corporations			
- Quoted	<b>400.1</b>	-	-
- Unquoted	<b>429.5</b>	-	-
Equity investments in Malaysian corporations			
- Quoted	<b>66.3</b>	-	-
- Unquoted	<b>1.6</b>	-	-
	<b><u>897.5</u></b>	<b><u>-</u></b>	<b><u>-</u></b>
<b>Analysed as follows:</b>			
Current	<b>383.2</b>	-	-
Non-current	<b>514.3</b>	-	-
	<b><u>897.5</u></b>	<b><u>-</u></b>	<b><u>-</u></b>

\* These investments were classified as AFS in 2017 (see Note 25).

Following the adoption of MFRS 9 on 1 January 2018, the Group has made an irrevocable election to classify RM1,039.2 million of the Group's equity investments previously classified as AFS to financial assets at FVOCI. The Group considers this classification to be more relevant as these instruments are strategic investments of the Group which are not held for trading purposes.

Other equity investments are classified as financial assets at FVTPL. Certain available-for-sale investments in debt instruments and income funds that do not meet the criteria for classification either as FVOCI or at amortised cost have been classified as financial assets at FVTPL. Accordingly, RM1,785.9 million has been classified as financial assets at FVTPL and their related fair value losses of RM4.6 million were transferred from fair value reserves to retained earnings on 1 January 2018.

Included in equity investment in Malaysian corporations of the Group is a 50% equity investment of RM1 held in trust for a third party which the Group has no beneficial interest.

The fair values of quoted equity investments are determined by reference to the bid price on the relevant stock exchanges.

The fair values of certain unquoted equity investments are determined based on the valuation techniques supported by observable market data or past transaction prices of similar shares issued by the foreign corporations and applying an appropriate risk-free interest rate, adjusted for non-performing risk and key assumptions to industry experience.

**27. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS**

The carrying amounts of financial assets at FVTPL are classified as follows:

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Equity investments in foreign corporations			
- Quoted	<b>6.2</b>	7.4	10.8
Debt securities in foreign corporations			
- Quoted	<b>557.9</b>	-	-
- Unquoted	<b>121.7</b>	-	-
Income funds in Malaysian corporation			
- Unquoted	<b>751.6</b>	-	-
	<b><u>1,437.4</u></b>	<b><u>7.4</u></b>	<b><u>10.8</u></b>
<b>Analysed as follows:</b>			
Current	<b>757.8</b>	7.4	10.8
Non-current	<b>679.6</b>	-	-
	<b><u>1,437.4</u></b>	<b><u>7.4</u></b>	<b><u>10.8</u></b>

The fair values of the quoted equity investments and quoted debt securities are determined based on the quoted market bid prices available on the relevant stock exchanges. The fair values of the unquoted debt securities are determined based on the price traded over the counter. The income funds are redeemable at the holder's discretion and the fair values are based on the fair values of the underlying net assets.

Following the adoption of MFRS 9 on 1 January 2018, the Group classified RM1,785.9 million of the Group's certain investments in equity, debt instruments and income funds as financial assets at FVTPL.

On 31 May 2018, Elevance carried out a debt restructuring exercise to convert its debt into equity shares. Upon completion of this debt restructuring exercise, the Group obtained joint control over Elevance with an equity interest of 41.5% and therefore reclassified the investment of RM289.4 million as a joint venture (see Note 23).

**28. OTHER NON-CURRENT ASSETS**

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Contract assets (see Note 43)	<b>3,655.0</b>	3,624.1	3,814.5
Trade receivables	-	0.6	22.5
Promissory notes – unquoted (see note (i) below)	-	1,584.1	1,395.3
Other receivables (see note (ii) below)	<b>433.0</b>	378.6	329.0
Amounts due from joint ventures (see Note 23)	<b>136.8</b>	287.1	297.9
Deposits	-	-	183.9
Prepayments	<b>45.4</b>	47.0	56.1
Long term lease prepayments	<b>54.6</b>	58.9	65.0
Finance lease receivable (see note (iii) below)	<b>7.8</b>	39.4	-
	<b><u>4,332.6</u></b>	<b><u>6,019.8</u></b>	<b><u>6,164.2</u></b>

There were no non-current trade and other receivables that were past due but not impaired in the previous financial years. These receivables are not secured by any collateral.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

Notes:

(i)	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Non-current:			
Principal	<b>1,394.6</b>	1,305.6	1,280.3
Interest receivable	<b>439.7</b>	278.5	115.0
	<b><u>1,834.3</u></b>	<u>1,584.1</u>	<u>1,395.3</u>
Less: Impairment losses	<b><u>(1,834.3)</u></b>	<u>-</u>	<u>-</u>
	<b>-</b>	1,584.1	1,395.3
Current:			
Interest receivable (see Note 32)	<b>-</b>	-	7.6
	<b><u>-</u></b>	<u>1,584.1</u>	<u>1,402.9</u>

The Genting Malaysia Group subscribed to the Notes issued by the Tribe to finance the pre-development expenses of a destination resort casino in Taunton, Massachusetts, US. The Notes carry fixed interest rates of 12% and 18% per annum (2017: 12% and 18% per annum). These Notes were classified as other non-current assets in the previous financial year as the Genting Malaysia Group had expected the Notes to be recovered beyond 12 months from the end of the reporting date.

The recoverability of the Notes is dependent on the outcome of the pending legal case and/or review by the relevant government authority as well as any other options which allow the Tribe to have land in trust for a destination resort casino development. This has affected the ability of the Tribe to proceed with the development, which cash flows are expected to facilitate the repayment of the Notes when the casino commences operations. The development of the project is currently stalled pending further court developments and/or actions by relevant governmental authorities.

**OTHER NON-CURRENT ASSETS (Cont'd)**

Notes (cont'd):

- (i) In September 2018, the US Federal Government issued a decision concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development. The Group is currently deliberating the appropriate course of action by working closely with the Tribe to review all options available for the Group's investment in the Notes as well as its recoverability. This includes a legislation being introduced in the US Congress which, if passed, will entail the US Federal Government to reaffirm the land in trust for the benefit of the Tribe.

In view of the uncertainty of recovery of the Notes following the decision by US Federal Government above, the Group has recorded an impairment loss of RM1,834.3 million in relation to the Group's total investment (including accrued interest) during the current financial year. This impairment loss can be reversed when the Notes are assessed to be recoverable.

In the previous financial year, the Group had carried out impairment assessment on the recovery of the Notes based on the probable outcome of the pending legal case and decision by the relevant government authority as well as any other options allowing the Tribe to have land in trust for a destination resort casino development. Based on the review of the projected operational cash flows of the casino, the Notes were expected to be fully recovered and as such, no impairment was provided for the Notes.

- (ii) Included in other receivables of the Group is an investment of RM150.0 million (2017: RM150.0 million) in unquoted preference shares in a Malaysian corporation. The preference shares carry a cumulative, non-compounding fixed dividend of 4% (2017: 4%) per annum and are subordinated to loan facilities undertaken by the issuer. The preference shares are redeemable in two equal tranches on the 8<sup>th</sup> and 9<sup>th</sup> anniversary of the issue date which can be extended by the issuer. However, the issuer may elect the following options prior to the 8<sup>th</sup> anniversary of the issue date:
- (a) to extend the tenure of the preference shares by 1, 2 or 3 years from their original tenure stated above, where the preferential dividend rate applicable during the said extended tenure shall be at the rate of 1% above the fixed preferential dividend rate; or
- (b) subject to the issuer being solvent at the time of the redemption of the preference shares, the issuer may at any time after the date of issuance of the preference shares and before the maturity date redeem any or all of the preference shares at the subscription price.
- (iii) Genting Malaysia's finance lease receivable arose from a lease arrangement with Genting Highlands Premium Outlets Sdn Bhd, a wholly owned subsidiary of Genting Simon. The lease arrangement is accounted for as a finance lease in accordance with MFRS 117 "Leases". Genting Simon is a joint venture of the Genting Plantations Berhad Group. Genting Plantations Berhad ("Genting Plantations"), which is 51.4% owned by the Company.

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Lease receivables:			
Receivable within 1 to 5 years	<b>8.5</b>	42.3	-
Less: Unearned interest income	<b>(0.7)</b>	(2.9)	-
	<b><u>7.8</u></b>	<u>39.4</u>	<u>-</u>
Present value of minimum lease payments receivable:			
Receivable within 1 to 5 years	<b><u>7.8</u></b>	<u>39.4</u>	<u>-</u>

**29. DEFERRED TAXATION**

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred tax relates to the same tax authority. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	<b>Group</b>			<b>Company</b>		
	<b>31.12.2018</b>	31.12.2017	1.1.2017	<b>31.12.2018</b>	31.12.2017	1.1.2017
Deferred tax assets						
- subject to income tax (see (i) below)	<b>394.9</b>	172.7	237.9	<b>30.3</b>	24.6	20.9
Deferred tax liabilities						
- subject to income tax	<b>(2,345.9)</b>	(2,205.3)	(2,063.3)	-	-	-
- subject to Real Property Gain Tax ("RPGT")	<b>(17.7)</b>	(9.5)	(9.5)	-	-	-
Total deferred tax liabilities (see (ii) below)	<b>(2,363.6)</b>	(2,214.8)	(2,072.8)	-	-	-
	<b>(1,968.7)</b>	(2,042.1)	(1,834.9)	<b>30.3</b>	24.6	20.9

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
At 1 January, as previously reported	<b>(2,004.1)</b>	(1,832.3)	<b>24.6</b>	20.9
Effect of transition of FRSs to MFRSs and adjustments (see Note 44)	<b>(38.0)</b>	(2.6)	-	-
At 1 January, as restated	<b>(2,042.1)</b>	(1,834.9)	<b>24.6</b>	20.9
(Charged)/credited to income statements (see Note 13)				
- property, plant and equipment and investment properties	<b>(160.6)</b>	(75.3)	<b>0.2</b>	0.2
- intangible assets	<b>1.1</b>	9.6	-	-
- provisions	<b>182.1</b>	36.7	<b>5.5</b>	3.5
- impairment loss	<b>4.0</b>	33.6	-	-
- unutilised tax losses	<b>54.2</b>	(91.5)	-	-
- rights of use of oil and gas assets	<b>5.1</b>	(19.6)	-	-
- contract assets	<b>(35.8)</b>	(34.3)	-	-
- others	<b>8.1</b>	42.0	-	-
	<b>58.2</b>	(98.8)	<b>5.7</b>	3.7
Foreign exchange differences	<b>11.2</b>	46.2	-	-
Reclassified to liabilities held for sale (see Note 34)	<b>4.0</b>	3.9	-	-
Acquisition of subsidiaries	-	(158.5)	-	-
At 31 December	<b>(1,968.7)</b>	(2,042.1)	<b>30.3</b>	24.6



**DEFERRED TAXATION (Cont'd)**

	<b>Group</b>			<b>Company</b>		
	<b>31.12.2018</b>	31.12.2017	1.1.2017	<b>31.12.2018</b>	31.12.2017	1.1.2017
<b>Subject to income tax/RPGT:</b>						
(i) Deferred tax assets (before offsetting)						
- property, plant and equipment	<b>46.9</b>	29.9	30.3	<b>0.1</b>	-	-
- land held for property development	<b>6.2</b>	4.9	4.1	-	-	-
- provisions	<b>405.5</b>	213.2	157.0	<b>30.2</b>	24.7	21.2
- tax losses	<b>267.1</b>	181.4	262.9	-	-	-
- others	<b>50.5</b>	42.3	114.8	-	-	-
	<b>776.2</b>	471.7	569.1	<b>30.3</b>	24.7	21.2
- offsetting	<b>(381.3)</b>	(299.0)	(331.2)	-	(0.1)	(0.3)
Deferred tax assets (after offsetting)	<b>394.9</b>	172.7	237.9	<b>30.3</b>	24.6	20.9
(ii) Deferred tax liabilities (before offsetting)						
- property, plant and equipment and investment properties	<b>(2,332.5)</b>	(2,129.1)	(1,913.1)	-	(0.1)	(0.3)
- land held for property development	<b>(5.2)</b>	(5.2)	(5.2)	-	-	-
- intangible assets	<b>(73.4)</b>	(79.7)	(98.4)	-	-	-
- rights of use of oil and gas assets	<b>(88.3)</b>	(91.3)	(79.7)	-	-	-
- contract assets	<b>(186.6)</b>	(145.7)	(218.3)	-	-	-
- others	<b>(58.9)</b>	(62.8)	(89.3)	-	-	-
	<b>(2,744.9)</b>	(2,513.8)	(2,404.0)	-	(0.1)	(0.3)
- offsetting	<b>381.3</b>	299.0	331.2	-	0.1	0.3
Deferred tax liabilities (after offsetting)	<b>(2,363.6)</b>	(2,214.8)	(2,072.8)	-	-	-

The amounts of unutilised tax losses and deductible temporary differences for which no deferred tax asset is recognised in the statement of financial position are as follows:

	<b>Group</b>			<b>Company</b>		
	<b>31.12.2018</b>	31.12.2017	1.1.2017	<b>31.12.2018</b>	31.12.2017	1.1.2017
Unutilised tax losses						
- Expiring more than one year and not more than seven years	<b>156.0</b>	154.7	137.6	-	-	-
- Expiring more than five year and not more than seven years (see note (a) below)	<b>228.6</b>	-	-	-	-	-
- No expiry period (see note (b) below)	<b>360.9</b>	578.8	560.4	-	-	-
	<b>745.5</b>	733.5	698.0	-	-	-
Property, plant and equipment (no expiry date)	<b>227.6</b>	291.4	244.9	-	-	-
Provision (no expiry date)	<b>12.5</b>	1.8	1.8	-	-	-
	<b>985.6</b>	1,026.7	944.7	-	-	-

**DEFERRED TAXATION (Cont'd)**

Deferred tax assets have not been recognised on the unutilised tax losses as the realisation of the tax benefits accruing to these tax losses is uncertain.

- (a) Under the Malaysia Finance Act 2018 which was gazetted on 27 December 2018, the Group's unutilised tax losses with no expiry period amounting to RM228.6 million as at 31 December 2018 will be imposed with a time limit of utilisation. Any accumulated unutilised tax losses brought forward from year of assessment 2018 can be carried forward for another 7 consecutive years of assessment (i.e. from year of assessments 2019 to 2025). These unutilised tax losses were classified as 'no expiry period' in previous financial years.
- (b) Included in the amount of unutilised tax losses with no expiry period are unutilised tax losses of certain subsidiaries of the Group amounting to RM333.1 million (2017: RM318.7 million). These subsidiaries are accredited with tax exemption for 10 years and the tax losses arising therefrom are not subject to the expiry limit.

As at 31 December 2018, the deferred tax assets of the Group mainly relate to tax losses of certain subsidiaries in Indonesia and in US. The tax losses in Indonesia have an expiry of 5 years while the tax losses in the US will expire in Year 2037. The Group has concluded that it is probable that the tax losses can be utilised against future taxable profits of the Indonesian and US subsidiaries.

With regards to MFRS 112 "Income Taxes", the Group will continue to recognise in profit or loss the tax credits arising from the Group's unutilised Investment Tax Allowance of RM1,020.8 million (2017: RM1,024.5 million) and unutilised customised incentive granted under the East Coast Economic Region of RM823.6 million (2017: RM1,613.9 million) as and when they are utilised.

### 30. INVENTORIES

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Stores and spares	<b>304.6</b>	251.2	260.8
Completed properties	<b>87.0</b>	95.2	91.4
Food, beverages and other hotel supplies	<b>91.9</b>	89.1	113.9
Produce stocks and finished goods	<b>163.3</b>	124.9	71.8
Raw materials and consumables	<b>38.5</b>	19.4	45.1
	<b><u>685.3</u></b>	<b><u>579.8</u></b>	<b><u>583.0</u></b>

### 31. PRODUCE GROWING ON BEARER PLANTS

	<b>Group</b> <b>2018</b>	2017
At 1 January, as previously reported	<b>6.1</b>	-
Effects of transition from FRSs to MFRSs (see Note 44)	-	9.2
At 1 January, as restated	<b><u>6.1</u></b>	<u>9.2</u>
Transferred to produce stocks	<b>(6.1)</b>	(9.2)
Changes in fair value	<b>3.8</b>	6.0
Foreign exchange differences	-	0.1
At 31 December	<b><u>3.8</u></b>	<u>6.1</u>

The fair value measurement of the produce growing on bearer plants is determined by using the market approach, which takes into consideration the market prices of FFB, adjusted for estimated oil content of unharvested FFB, less harvesting, transport and other costs to sell and is categorised within Level 3 of the fair value hierarchy. A reasonable change in the key assumptions would not result in a material impact to the financial statements.

**32. TRADE AND OTHER RECEIVABLES**

	<b>Group</b>		
	<b>31.12.2018</b>	31.12.2017	1.1.2017
Trade receivables	<b>1,480.6</b>	1,223.3	1,566.2
Contract assets (see Note 43)	<b>506.9</b>	470.8	416.6
Promissory notes – unquoted (see Note 28)	-	-	7.6
Other receivables (see note (i) below)	<b>624.6</b>	569.7	660.9
Less: Impairment losses on receivables	<b>(772.3)</b>	(550.8)	(704.1)
	<b>1,839.8</b>	1,713.0	1,947.2
Deposits	<b>62.6</b>	81.3	108.4
Prepayments	<b>302.7</b>	329.5	289.3
	<b>2,205.1</b>	2,123.8	2,344.9
		<b>Company</b>	
	<b>31.12.2018</b>	31.12.2017	1.1.2017
Other receivables	<b>0.4</b>	0.8	1.3
Deposits	<b>1.3</b>	1.2	1.1
Prepayments	<b>9.3</b>	8.5	8.4
	<b>11.0</b>	10.5	10.8

## Notes:

- (i) Included in other receivables and other non-current assets of the Group are advances for plasma schemes of RM169.8 million (2017: RM165.2 million) which are recoverable by the Group's subsidiaries in Indonesia. In accordance with the policy of the Government of the Republic of Indonesia ("Government"), nucleus companies involved in plantation developments are required to provide support to develop and cultivate palm oil lands for local communities as part of their social obligation which is known as "Plasma" schemes.

In line with this requirement, the Group's subsidiaries in Indonesia participate in several plasma cooperative programs for the development and cultivation of oil palm lands for the local communities. The Group's subsidiaries manage the plasma plantation activities and purchase the plantation produce arising therefrom at prices determined by the Government. Advances made by the Groups' subsidiaries to the plasma schemes in the form of plantation development costs are recoverable either through bank loans obtained by the plasma cooperatives or direct repayments from the cooperatives when these plasma areas come to maturity. Impairment losses are made when the estimated recoverable amounts are less than the outstanding advances. The non-current amounts due from plasma farmers of RM26.5 million are disclosed as Other Receivables in Note 28 to the financial statements.

The carrying amounts of the Group's and the Company's trade and other receivables approximate their fair values.

**TRADE AND OTHER RECEIVABLES (Cont'd)**

As at 31 December 2017, the ageing analysis of these trade and other receivables which were past due but not impaired is as follows:

	<b>Group</b>	
	31.12.2017	1.1.2017
Receivables past due:		
Past due 0 to 3 months	67.6	195.7
Past due 3 to 6 months	1.9	135.7
Past due 6 to 12 months	34.0	108.6
Past due over 12 months	3.4	9.8
	<u>106.9</u>	<u>449.8</u>

No impairment has been made on these amounts as the Group is closely monitoring these receivables and is confident of their eventual recovery.

The Group's trade and other receivables that are individually determined to be impaired at the reporting date relate to customers that are in significant financial difficulties and have defaulted on payments. The amount of the provision was RM772.3 million (31 December 2017: RM550.8 million, 1 January 2017: RM704.1 million) as at 31 December 2018. These receivables are not secured by any collateral.

The movements on the provision for impairment losses on trade and other receivables are as follows:

	<b>Group</b>		<b>Company</b>	
	2018	2017*	2018	2017*
As at 1 January, as previously reported	550.8	704.1	-	-
Effects of adoption of MFRS 9 (see Note 44)	9.6	-	-	-
As at 1 January, as restated	<u>560.4</u>	704.1	-	-
Charge for the financial year	169.4	167.2	-	-
Write back/(write-off) against receivables	28.3	(292.7)	-	-
Foreign exchange differences	14.2	(27.8)	-	-
At 31 December	<u>772.3</u>	<u>550.8</u>	<u>-</u>	<u>-</u>

\* Loss allowance disclosed in comparative period is based on FRS 139 incurred loss model.

Of the above impairment losses, RM752.2 million (31 December 2017: RM526.9 million, 1 January 2017: RM612.0 million) related to trade receivables.

The maximum exposure to credit risk at the reporting date is the carrying value of each class of receivable mentioned above.

Other than as disclosed above, the remaining trade and other receivables balances of the Group and the Company are neither past due nor impaired in previous financial year.

**33. CASH AND CASH EQUIVALENTS**

	<b>31.12.2018</b>	<b>Group</b>	
		31.12.2017	1.1.2017
Deposits with licensed banks	<b>20,812.0</b>	20,009.6	16,911.8
Cash and bank balances	<b>4,958.2</b>	5,789.4	4,622.6
	<b>25,770.2</b>	25,799.0	21,534.4
Less: Restricted cash	<b>(1,059.3)</b>	(1,325.1)	(565.1)
Bank balances and deposits	<b>24,710.9</b>	24,473.9	20,969.3
Add: Money market instruments	<b>6,277.0</b>	5,018.0	4,349.2
Cash and cash equivalents	<b>30,987.9</b>	29,491.9	25,318.5
	<b>31.12.2018</b>	<b>Company</b>	
		31.12.2017	1.1.2017
Deposits with licensed banks	<b>1,095.8</b>	889.8	569.4
Cash and bank balances	<b>2.4</b>	1.7	1.9
	<b>1,098.2</b>	891.5	571.3
Less: Restricted cash	<b>(0.5)</b>	(0.1)	(0.1)
Bank balances and deposits	<b>1,097.7</b>	891.4	571.2
Add: Money market instruments	<b>1,405.6</b>	1,568.8	859.2
Cash and cash equivalents	<b>2,503.3</b>	2,460.2	1,430.4

The deposits of the Group and the Company as at 31 December 2018 have an average maturity period of one month to four months (2017: one month to two months). Cash and bank balances of the Group and the Company are held at call.

Investment in money market instruments comprises negotiable certificates of deposit and bankers' acceptances. The money market instruments of the Group and the Company as at 31 December 2018 have maturity periods ranging between overnight and six months (2017: overnight and three months).

Included in deposits with licensed banks for the Group is an amount of RM22.8 million (2017: RM31.3 million) deposited by an indirect subsidiary involved in property development activities into various Housing Development Accounts in accordance with Section 7(A) of the Housing Developers (Control and Licensing) Act, 1966. This amount is available for use by the said subsidiary for the payment of property development expenditure.

Restricted cash relates to the money market instruments pledged with licensed banks that was secured against certain bank borrowings and funds under the control of the Group placed with licensed banks and third parties which will be utilised for certain qualified expenses. The funds are transferred from these accounts to the Group and third parties upon obtaining certain approval. These deposits have weighted average interest rates ranging from 0.3% to 7.7% (2017: 0.02% to 6.4%) per annum.

**34. ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE**

As at 31 December 2018, the following assets or liabilities were classified as held for sale:

(i) Planned disposal of aircraft - Genting Singapore

The assets and liabilities relating to the disposal are as follows:

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
<b>Assets classified as held for sale</b>			
Property, plant and equipment (see Note 16)	-	35.8	-

Genting Singapore's assets classified as held for sale of RM35.8 million as at 31 December 2017 represented aircraft owned by a wholly owned subsidiary of Genting Singapore. The sale was completed in 2018.

(ii) Planned disposal of business and property, plant and equipment - Genting Malaysia

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
<b>Assets classified as held for sale</b>			
<u>Maxims Casino (see note below)</u>			
Property, plant and equipment (see Note 16)	<b>33.7</b>	34.7	-
Trade and other receivables	<b>0.3</b>	1.4	-
Inventories	<b>0.4</b>	0.3	-
	<b>34.4</b>	36.4	-
Property, plant and equipment related to the Bimini operations (see Note 16)	-	3.5	-
	<b>34.4</b>	39.9	-

**Liabilities classified as held for sale**

<u>Maxims Casino (see note below)</u>			
Trade and other payables	<b>(5.5)</b>	(42.6)	-
Deferred tax liabilities (see Note 29)	<b>(4.0)</b>	(3.9)	-
Taxation	<b>(4.1)</b>	(12.7)	-
	<b>(13.6)</b>	(59.2)	-

Note:

The assets and liabilities classified as held for sale relate to the business of Maxims Casino in the UK, owned and operated by Coastbright Limited, an indirect wholly owned subsidiary of Genting Malaysia.

**ASSETS/LIABILITIES CLASSIFIED AS HELD FOR SALE (Cont'd)**

## (iii) Planned disposal of land held for property development – Genting Plantations

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Land held for property development	-	-	6.0

The assets classified as held for sale comprised land and infrastructure costs measuring approximately 20 acres pursuant to a sale and purchase agreement signed with a third party. The sale and purchase agreement was subsequently terminated in 2017 and accordingly the cost had been reclassified to land held for property development.

## (iv) Planned disposal of interest in associates – Genting Singapore

As at 1 January 2017, the disposal group classified as held for sale for Genting Singapore Group represented the following:

- Algona Pte. Ltd., a direct wholly owned subsidiary of Genting Singapore, entered into a conditional sale and purchase agreement with Landing International Development Limited (“LIDL”) to dispose its 100% interest in Callisto Business Limited (“Callisto”). Callisto’s disposal includes its wholly owned subsidiary, Happy Bay Pte. Ltd (“Happy Bay”), which in turn owns 50% of Landing Jeju Development Co., Ltd (“Callisto Group”) that is developing an integrated resort in Jeju, Korea.
- Genting International Resorts Management Limited (“GIRML”), an indirect wholly owned subsidiary of Genting Singapore, entered into a conditional sale and purchase agreement with LIDL’s direct wholly owned subsidiary, Landing Singapore Limited to dispose GIRML’s 50% interest in Autumnnglow Pte. Ltd. (“Autumnglow”).

The assets and liabilities relating to Callisto Group and Autumnnglow are included in “Investments and Others” and “Leisure and Hospitality” segments as follows:

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
<b>Assets classified as held for sale</b>			
Associate	-	-	799.8
Trade and other receivables	-	-	795.1
	<u>-</u>	<u>-</u>	<u>1,594.9</u>
<b>Liability classified as held for sale</b>			
Deferred tax liabilities	<u>-</u>	<u>-</u>	<u>(11.1)</u>

The Group completed the disposals of Callisto Group and Autumnnglow on 3 January 2017 for a total consideration of RM1,871.3 million and recorded a gain of disposal of RM302.2 million.



**35. SHARE CAPITAL**

	<b>Number of shares</b>		<b>Share Capital</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
	<b>(million)</b>			
<b>Authorised:</b>				
At beginning of the financial year	-	8,000.0	-	800.0
Effects of transition to no authorised share capital regime on 31 January 2017 under the Companies Act 2016 (the “Act”)	-	(8,000.0)	-	(800.0)
At end of the financial year	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Issued and fully paid:</b>				
<b>Ordinary shares</b>				
At beginning of the financial year	<b>3,851.8</b>	3,750.0	<b>2,818.7</b>	375.0
Issuance pursuant to exercise of warrants	<b>25.1</b>	101.8	<b>237.5</b>	962.5
Effects of transition to no par value regime on 31 January 2017 under the Act	-	-	-	1,481.2
At end of the financial year	<u><b>3,876.9</b></u>	<u>3,851.8</u>	<u><b>3,056.2</b></u>	<u>2,818.7</u>

The ordinary shares issued from the exercise of warrants shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of warrants.

The Act which came into effect on 31 January 2017, abolished the concept of authorised share capital and par value of share capital. Consequently, any amounts standing to the credit of the share premium account of RM1,481.2 million in the prior financial year became part of the Company’s share capital pursuant to the transitional provisions set out in Section 618(2) of the Act. There is no impact on the number of ordinary shares in issue or the relative entitlement of any of the members as a result of this transition.

**36. TREASURY SHARES**

At the Annual General Meeting of the Company held on 6 June 2018, the shareholders of the Company approved the renewal of the authority for the Company to purchase its own shares of up to 4% of the issued and paid-up share capital of the Company.

No treasury share was purchased during the current and previous financial year. The purchased shares are held as treasury shares in accordance with the requirements of Section 127(4) of the Companies Act 2016. There is no cancellation, resale or reissuance of treasury shares during the financial year. As treasury shares, the rights attached as to voting, dividends and participation in other distribution are suspended.

As at 31 December 2018, of the total 3,876,896,099 (31 December 2017: 3,851,782,223, 1 January 2017: 3,750,021,124) issued and fully paid ordinary shares, 26,320,000 (31 December 2017 and 1 January 2017: 26,320,000) are held as treasury shares by the Company. As at 31 December 2018, the number of outstanding ordinary shares in issue after the offset is therefore 3,850,576,099 (31 December 2017: 3,825,462,223, 1 January 2017: 3,723,701,124) ordinary shares.

The details of the treasury shares are as follows:

	<b>Total shares purchased in units '000</b>	<b>Total consideration paid RM million</b>	<b>Highest price RM</b>	<b>Lowest price RM</b>	<b>Average price * RM</b>
At 1 January 2017, 31 December 2017 and 31 December 2018	<b>26,320.0</b>	<b>221.2</b>	<b>10.80</b>	<b>3.40</b>	<b>8.40</b>

\* Average price includes stamp duty, brokerage and clearing fees.

**37. RESERVES**

	<b>31.12.2018</b>	<b>Group 31.12.2017</b>	<b>1.1.2017</b>
Share premium	-	-	1,481.2
Warrants reserve	-	946.3	1,098.7
Fair value reserve	<b>(328.9)</b>	276.9	384.3
Cash flow hedge reserve	<b>25.1</b>	(52.1)	(85.3)
Foreign exchange and other reserves	<b>(1,314.8)</b>	(1,587.1)	17.9
Retained earnings	<b>33,057.3</b>	31,606.4	30,957.3
	<b>31,438.7</b>	31,190.4	33,854.1
		<b>Company</b>	
	<b>31.12.2018</b>	31.12.2017	1.1.2017
Share premium	-	-	1,481.2
Warrants reserve	-	946.3	1,098.7
Retained earnings	<b>10,411.3</b>	9,761.5	9,958.7
	<b>10,411.3</b>	10,707.8	12,538.6

**RESERVES (Cont'd)**

The warrants reserve represents monies received from the issuance of warrants by the Company pursuant to the Restricted Issue of Warrants. The warrants were listed on the Main Market of Bursa Malaysia Securities Berhad on 23 December 2013. Each warrant carries the right to subscribe for 1 new ordinary share in the Company at any time on or after the issue date up to the expiry date of 18 December 2018 at the exercise price of RM7.96 for each new share. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The warrants are constituted by a Deed Poll dated 12 November 2013. On 18 December 2018, the remaining 606,790,591 warrants have since expired and delisted from Bursa Securities on 19 December 2018 and the corresponding warrants reserve of RM908.7 million has been transferred to retained earnings.

The movements in the warrants reserve and number of warrants during the financial year are summarised below:

	<b>Group/Company</b>			
	<b>No. of Warrants</b>		<b>Warrants Reserve</b>	
	<b>2018</b>	2017	<b>RM'million</b>	2017
At 1 January	<b>631,904,467</b>	733,665,566	<b>946.3</b>	1,098.7
Exercise of warrants	<b>(25,113,876)</b>	(101,761,099)	<b>(37.6)</b>	(152.4)
Unexercised and expired	<b>(606,790,591)</b>	-	<b>(908.7)</b>	-
At 31 December	<b>-</b>	<b>631,904,467</b>	<b>-</b>	<b>946.3</b>

**38. BORROWINGS**

	<b>31.12.2018</b>	<b>Group 31.12.2017</b>	<b>1.1.2017</b>
<b>Current</b>			
<b>Secured:</b>			
Term loans	<b>1,363.1</b>	1,559.1	1,036.1
Finance lease liabilities	<b>10.9</b>	5.5	9.7
<b>Unsecured:</b>			
Medium term notes	<b>1,755.4</b>	91.1	58.6
Sukuk Murabahah	<b>3.4</b>	3.4	3.4
Bonds	<b>1.0</b>	0.9	-
Guaranteed Notes	<b>116.3</b>	93.4	-
Term loans	<b>810.9</b>	475.7	1,191.1
	<b>4,061.0</b>	2,229.1	2,298.9
<b>Non-current</b>			
<b>Secured:</b>			
Term loans	<b>7,327.2</b>	8,406.4	8,310.3
Finance lease liabilities	<b>39.7</b>	4.0	1.0
<b>Unsecured:</b>			
Medium term notes	<b>9,589.9</b>	8,591.7	5,993.3
Sukuk Murabahah	<b>998.0</b>	997.7	997.4
Bonds	<b>748.8</b>	713.7	-
Guaranteed Notes	<b>6,290.4</b>	6,134.7	-
Term loans	<b>169.5</b>	102.0	443.0
	<b>25,163.5</b>	24,950.2	15,745.0
	<b>29,224.5</b>	27,179.3	18,043.9

The borrowings (excluding finance lease liabilities) bear an effective annual interest rate of 3.1% to 9.3% (31 December 2017: 1.9% to 10.5%, 1 January 2017: 1.8% to 4.8%) per annum.

**BORROWINGS (Cont'd)**

(a) The maturity profile and exposure of borrowings of the Group is as follows:

	<b>Floating Interest Rate</b>	<b>Fixed Interest Rate</b>	<b>Total</b>
<b>As at 31 December 2018:</b>			
Less than one year	2,161.8	1,899.2	4,061.0
More than one year and less than two years	2,697.2	1,149.2	3,846.4
More than two years and less than five years	2,932.4	3,930.3	6,862.7
More than five years	1,703.2	12,751.2	14,454.4
	<u>9,494.6</u>	<u>19,729.9</u>	<u>29,224.5</u>
<b>As at 31 December 2017:</b>			
Less than one year	1,877.8	351.3	2,229.1
More than one year and less than two years	1,431.6	1,608.9	3,040.5
More than two years and less than five years	4,856.1	3,598.0	8,454.1
More than five years	2,040.9	11,414.7	13,455.6
	<u>10,206.4</u>	<u>16,972.9</u>	<u>27,179.3</u>
<b>As at 1 January 2017:</b>			
Less than one year	2,226.6	72.3	2,298.9
More than one year and less than two years	1,063.2	1.0	1,064.2
More than two years and less than five years	4,782.4	2,697.6	7,480.0
More than five years	2,907.8	4,293.0	7,200.8
	<u>10,980.0</u>	<u>7,063.9</u>	<u>18,043.9</u>

(b) Finance lease liabilities

The minimum lease payments of the finance lease liabilities at the reporting date are as follows:

	<b>31.12.2018</b>	<b>Group 31.12.2017</b>	<b>1.1.2017</b>
Not more than one year	15.6	6.8	11.0
More than one year and not more than five years	44.7	4.5	1.0
Later than five years	4.6	-	-
	<u>64.9</u>	<u>11.3</u>	<u>12.0</u>
Future finance charges	(14.3)	(1.8)	(1.3)
Present value	<u>50.6</u>	<u>9.5</u>	<u>10.7</u>

Finance lease liabilities are effectively secured as the rights to the leased assets will revert to the lessor in the event of default. The finance lease liabilities have an effective interest rate of 2.3% to 32.4% (31 December 2017: 2.3% to 21.3%, 1 January 2017: 2.3% to 21.3%) per annum.

(c) Fair values of the borrowings as at 31 December 2018 was RM28,991.0 million (31 December 2017: RM27,185.6 million, 1 January 2017: RM17,998.3 million). Fair values of the borrowings have been estimated from the perspective of market participants that hold similar borrowings at the reporting date and are within Level 2 of the fair value hierarchy.

## **BORROWINGS (Cont'd)**

- (d) On 9 November 2009, the Company through its wholly owned subsidiary, GB Services Berhad (“GBS”), had successfully issued RM1.45 billion nominal amount of 10-year Medium Term Notes (“MTNs”) pursuant to a RM1.6 billion nominal value MTNs programme. The issue was priced at 5.30% per annum, payable semi-annually and guaranteed by the Company. On 10 May 2010, GBS subsequently issued the remaining RM0.15 billion nominal amount of MTNs. The proceeds from issuance of the MTNs were on-lent to the Company and/or its subsidiaries for capital expenditure, investment, refinancing, working capital requirements and/or other general corporate purposes of the Group. The entire nominal amount of the MTNs shall be repaid by 8 November 2019 (the “Maturity Date”) provided that the entire principal amount or any portion thereof, and accrued and unpaid interest thereon shall be immediately due and payable upon the earlier of (i) the Maturity Date; (ii) request(s) from GBS for early repayment; or (iii) acceleration of the loan. In the event of default, the Trustee of the MTNs may at its sole discretion, and shall if so directed by the MTNs holders by Extraordinary Resolution, declare by notice in writing to GBS that an event of default has occurred and notwithstanding the Maturity Date, the nominal value of all outstanding MTNs and unpaid interest thereon shall become immediately due and payable. The outstanding MTNs including accrued interest have been classified as current liabilities as at 31 December 2018.
- (e) On 8 June 2012, the Company through its direct wholly owned subsidiary, Genting Capital Berhad, issued RM0.5 billion nominal amount of 10-year MTNs and RM1.5 billion nominal amount of 15-year MTNs pursuant to a RM2.0 billion nominal value MTNs programme. The issue was at coupon rates of 4.42% per annum and 4.86% per annum, respectively, payable semi-annually and guaranteed by the Company. The proceeds from the issuance of the MTNs were on-lent to the Company and/or its subsidiaries for operating activities, capital expenditure, investment, refinancing, working capital requirements, general funding requirements and/or other general corporate purpose of the Group.
- (f) On 5 June 2015, Benih Restu Berhad, an indirect wholly owned subsidiary of Genting Plantations, issued RM1.0 billion Sukuk Murabahah under the Sukuk Murabahah programme of up to RM1.5 billion in nominal value based on the Shariah principle of Murabahah. The Sukuk Murabahah has a tenure of 10 years, at a profit rate of 4.62% per annum payable semi-annually and guaranteed by Genting Plantations.
- (g) On 24 August 2015, GENM Capital Berhad (“GENM Capital”), a direct wholly owned subsidiary of Genting Malaysia, issued RM1.1 billion nominal amount of 5-year MTNs at a coupon rate of 4.5% per annum and RM1.3 billion nominal amount of 10-year MTNs at a coupon rate of 4.9% per annum under its MTN Programme which is guaranteed by Genting Malaysia.

On 31 March 2017, GENM Capital further issued RM1.25 billion nominal amount of 5-year MTN at coupon rate of 4.78% per annum, RM1.1 billion nominal amount of 10-year MTN at coupon rate of 4.98% per annum and RM0.25 billion nominal amount of 15-year MTN at coupon rate of 5.20% per annum under its MTN Programme which is guaranteed by Genting Malaysia.

On 11 July 2018, GENM Capital further issued RM1.4 billion 5-year MTN at coupon rate of 4.98% per annum, RM0.75 billion 10-year MTN at coupon rate of 5.30% per annum and RM0.45 billion 15-year MTN at coupon rate of 5.58% per annum under its MTN Programme, which is guaranteed by Genting Malaysia.

The coupon is payable semi-annually. The net proceeds from the MTN programme shall be utilised for operating expenses, capital expenditure, and/or working capital requirements of Genting Malaysia including to finance the development, and/or re-development of the properties of Genting Malaysia located in Genting Highlands, Pahang, Malaysia.

## **BORROWINGS (Cont'd)**

- (h) On 24 January 2017, Genting Overseas Holdings Limited (“GOHL”) through its direct wholly owned subsidiary, GOHL Capital Limited (“GOHL Capital”), issued USD1.0 billion 4.25% guaranteed notes due 2027 (the “Guaranteed Notes”). The Guaranteed Notes are fully and unconditionally guaranteed by GOHL and have the benefit of a keepwell deed entered into with the Company. Interest on the Guaranteed Notes is payable semi-annually.

On 17 October 2017, GOHL Capital further issued USD500.0 million 4.25% guaranteed notes due 2027 (the “Further Guaranteed Notes”), which will constitute a further issuance of, and be consolidated and form a single series with, the Guaranteed Notes that were originally issued by GOHL Capital on 24 January 2017.

The Guaranteed Notes and the Further Guaranteed Notes are listed on The Stock Exchange of Hong Kong Limited.

The proceeds from the issuance of the Guaranteed Notes and Further Guaranteed Notes were on-lent to GOHL for the general corporate purposes of the Genting Group, including but not limited to, operating expenses, capital expenditure, investment, refinancing, working capital requirements, general funding requirements and/or making investments (by share purchase, loan or otherwise) in other members of the Genting Group, which may include investments for the development of the Resorts World Las Vegas project.

The Guaranteed Notes and Further Guaranteed Notes shall be repaid on 24 January 2027. The Guaranteed Notes and Further Guaranteed Notes are subject to redemption, together with accrued interest, (i) at the option of GOHL Capital, in whole or in part, at any time upon payment of the applicable premium, and (ii) in whole but not in part, in the event of certain changes affecting taxes of certain jurisdictions as described in the conditions of the Guaranteed Notes and Further Guaranteed Notes.

- (i) On 24 October 2017, Genting Singapore issued an unsecured and unsubordinated Japanese Yen-denominated bonds with a principal amount of Japanese Yen (“JPY”) 20.0 billion (approximately RM728.8 million) in Japan, acting through its Japan branch. The bonds have a coupon rate of 0.669% per annum and are due for repayment five years from the issue date.

Details of assets pledged as securities for the borrowings are disclosed in Notes 16, 18, 19, 20, 33 and 42.

**39. PROVISIONS**

	<b>Group</b>			<b>Company</b>		
	<b>31.12.2018</b>	31.12.2017	1.1.2017	<b>31.12.2018</b>	31.12.2017	1.1.2017
Provision for retirement gratuities (see (a) below)	<b>400.0</b>	367.1	313.2	<b>118.4</b>	103.0	88.3
Asset retirement obligations (see (b) below)	<b>143.7</b>	138.1	158.1	-	-	-
Other provisions	<b>75.1</b>	51.0	56.9	-	-	-
	<b>618.8</b>	556.2	528.2	<b>118.4</b>	103.0	88.3
Less: Provision for retirement gratuities shown as current liabilities (see (a) below)	<b>(66.9)</b>	(44.2)	(32.1)	<b>(8.8)</b>	-	-
	<b>551.9</b>	512.0	496.1	<b>109.6</b>	103.0	88.3

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
(a) <b>Provision for Retirement Gratuities</b>				
Beginning of the financial year	<b>367.1</b>	313.2	<b>103.0</b>	88.3
Charge for the financial year	<b>36.1</b>	64.1	<b>15.5</b>	16.1
Write-back of provision	-	(0.3)	-	-
Payments during the financial year	<b>(3.1)</b>	(9.4)	<b>(0.1)</b>	(1.4)
Disposal of a subsidiary	-	(0.4)	-	-
Foreign exchange differences	<b>(0.1)</b>	(0.1)	-	-
End of the financial year	<b>400.0</b>	367.1	<b>118.4</b>	103.0

Analysed as follows:

Current (see Note 41)	<b>66.9</b>	44.2	<b>8.8</b>	-
Non-current	<b>333.1</b>	322.9	<b>109.6</b>	103.0
	<b>400.0</b>	367.1	<b>118.4</b>	103.0

**(b) Asset Retirement Obligations**

	<b>Group</b>	
	<b>2018</b>	2017
Beginning of the financial year	<b>138.1</b>	158.1
Reversal	-	(33.7)
Unwinding of discount	<b>8.8</b>	8.8
Foreign exchange differences	<b>(3.2)</b>	4.9
End of the financial year	<b>143.7</b>	138.1

Asset retirement obligations consist primarily of estimated cost of dismantlement, removal, site reclamation and similar activities associated with oil and gas assets.

The interest rate and inflation rate used to determine the obligations as at 31 December 2018 was 3.6% (31 December 2017: 3.6%, 1 January 2017: 4.3%) per annum and 2.7% (31 December 2017: 2.7%, 1 January 2017: 3.0%) per annum respectively. Changes in the expected future costs are reflected in both the provision and the asset.



**40. OTHER NON-CURRENT LIABILITIES**

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Contract liabilities (see Note 43)	<b>15.3</b>	17.9	21.4
Government grant (see note (a) below)	<b>78.0</b>	43.0	8.5
Amount due to a shareholder of a subsidiary (see note (b) below)	<b>343.1</b>	295.2	292.7
Accruals and other payables	<b>5.1</b>	7.2	15.7
	<b>441.5</b>	363.3	338.3

Notes:

- (a) This mainly relates to government grant totalling RM13.6 million and RM64.4 million respectively (31 December 2017: RM8.5 million and RM34.5 million respectively, 1 January 2017: RM8.5 million and Nil respectively) in relation to the construction of a biorefinery plant in Malaysia and construction of certain properties in the US. The government grant is to be recognised in income statement over the useful lives of the assets when the assets are commissioned and completed.
- (b) Amount due to a shareholder of a subsidiary is denominated in USD, unsecured and interest free. The shareholder has given an undertaking not to demand repayment of the amount in the next 12 months from end of reporting date.

**41. TRADE AND OTHER PAYABLES**

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Trade payables	<b>793.3</b>	732.8	724.1
Accruals	<b>2,453.6</b>	2,588.6	2,703.1
Retirement gratuities (see Note 39(a))	<b>66.9</b>	44.2	32.1
Deposits	<b>25.3</b>	23.1	23.6
Provision for onerous leases	<b>2.5</b>	3.3	93.7
Accrued capital expenditure	<b>702.8</b>	594.2	548.2
Contract liabilities (see Note 43)	<b>169.0</b>	181.0	131.9
Other payables	<b>1,038.0</b>	1,009.3	850.2
	<b>5,251.4</b>	5,176.5	5,106.9

	<b>31.12.2018</b>	<b>Company</b> 31.12.2017	1.1.2017
Accruals	<b>34.9</b>	44.0	35.8
Retirement gratuities (see Note 39(a))	<b>8.8</b>	-	-
Other payables	<b>0.6</b>	4.0	3.3
	<b>44.3</b>	48.0	39.1

The carrying amounts of the Group's and the Company's trade and other payables approximate their fair values.

Accruals included outstanding chip liabilities, payroll expenses, casino expenses, property development expenditure.

**42. DERIVATIVE FINANCIAL INSTRUMENTS**

Group	Note	31.12.2018		31.12.2017		1.1.2017				
		Notional/ Contract Value	Fair Value Assets	Fair Value Liabilities	Notional/ Contract Value	Fair Value Assets	Fair Value Liabilities	Notional/ Contract Value	Fair Value Assets	Fair Value Liabilities
<b>Designated as hedges</b>										
Interest Rate Swap										
- USD	(a)	2,525.7	1.3	(111.2)	2,258.7	-	2,619.7	0.4	(228.9)	
- GBP		450.4	-	(2.6)	-	-	362.1	-	(4.0)	
Cross Currency Swap										
- SGD	(b)	164.3	-	(29.6)	174.2	-	185.7	-	(60.6)	
Commodity Future Contract										
- USD	(c)	32.8	0.4	-	31.0	2.0	-	-	-	-
Forward Foreign Currency Exchange Contracts										
- USD	(d)	208.5	1.0	-	92.1	1.4	92.7	3.1	(0.6)	
Commodity Swap										
- USD	(e)	N/A	46.2	-	-	-	-	-	-	-
			48.9	(143.4)		3.4		3.5	(294.1)	
<b>Not designated as hedges</b>										
Interest Rate Swap										
- USD	(a)	-	-	-	127.5	1.1	429.1	0.9	(11.5)	
Forward Foreign Currency Exchange Contracts										
- USD	(d)	62.8	-	0.3	-	-	-	-	-	-
- SGD		-	-	-	-	-	12.2	1.9	-	-
Forward Foreign Currency Exchange Options										
- USD	(d)	62.8	-	(0.5)	-	-	-	-	-	-
Cross Currency Swap										
- USD	(b)	-	-	-	-	-	319.7	115.5	-	-
Warrants										
	(f)	-	-	(0.2)	N/A	3.7	-	-	-	-
<b>Total derivative financial instruments</b>			48.9	(143.6)		8.2		121.8	(305.6)	
<b>Analysed as follows:</b>										
Current			23.0	(29.3)		3.9		7.7	(73.4)	
Non-current			25.9	(114.3)		4.3		114.1	(232.2)	
			48.9	(143.6)		8.2		121.8	(305.6)	
<b>Company</b>										
<b>Not designated as hedges</b>										
Non-current - Warrants	(g)	-	-	-	N/A	227.9	N/A	232.8	-	-
Current - Warrants	(g)	-	170.9	-	N/A	-	N/A	-	-	-

## **DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)**

The Group's derivative financial instruments relate to the following:

(a) Interest Rate Swaps ("IRS")

The Group had entered into IRS to hedge the Group's exposure to interest rate risk on its borrowings. This contract entitles the Group to receive interest at floating rates on notional principal amounts and oblige the Group to pay interest at fixed rates on the same notional principal amounts, thus allowing the Group to raise borrowings at floating rates and swap them into fixed rates.

The changes in fair value of these IRS contracts that are designated as hedges are included as hedging reserve in equity and continuously released to the income statement until the repayment of the bank borrowings or maturity of the IRS whichever is earlier. For the IRS contracts that are not designated as hedges, the changes in fair value are recognised as other income or other expense in the income statement.

(b) Cross Currency Swap

The Group had entered into a Cross Currency Swap contract to exchange interest payments and principal denominated in two different currencies to hedge against the exposure of its borrowings to interest rate risk and foreign exchange risk.

The changes in the fair value of these Cross Currency Swap contracts that are designated as hedges are included as hedging reserve in equity and continuously released to the income statement until the repayment of the bank borrowings or maturity of Cross Currency Swap contracts whichever is earlier. For the Cross Currency Swap contracts that are not designated as hedges, the changes in the fair value are recognised as other income or other expense in the income statement.

(c) Commodity Future Contract

The commodity future contracts were entered into with the objective of managing and hedging on the Group's downstream manufacturing operations to adverse price movements in the palm oil commodities.

The changes in the fair value of these commodity future contracts are accounted using the hedge accounting method. The changes in fair value of these contracts are included in hedging reserves in equity and are recognised in income statement when the underlying hedged items are recognised.

(d) Forward Foreign Currency Exchange and Forward Foreign Currency Options

The Group had entered into various forward foreign currency exchange contracts and forward foreign currency options contracts to manage the exposure to foreign currency exchange risk in relation to its operations in respective countries.

The changes in fair value of these forward foreign currency exchange contracts and option contracts that are designated as hedges are included as hedging reserves in equity and are recognised in the income statement as the underlying hedged items are recognised. For the forward foreign currency exchange contracts and option contracts that are not designated as hedges, the changes in the fair value of these forward contracts are recognised as other income or other expense in the income statement.

## **DERIVATIVE FINANCIAL INSTRUMENTS (Cont'd)**

(e) Commodity Swaps

The Group has entered into commodity swaps contract to hedge against the Group's exposure to volatility of crude oil prices.

The changes in the fair value of this contract are designated as hedges are included as cash flow hedge reserve in equity and continuously released to the income statement until the settlement or maturity of contract whichever is earlier.

(f) Warrants

In the previous financial year, the Group subscribed to USD16.8 million non-convertible senior notes with 560,000 warrants. The warrants are initially recognised at fair value and are subsequently carried at FVTPL. The fair value changes are recognised in profit or loss. During the financial year, the non-convertible senior notes and warrants had been accounted under the same contract in its entirety as "other receivables".

As at 31 December 2018, derivative financial instruments of approximately RM46.7 million (2017: RM1.1 million) have been pledged as security for the term loan facility of the Group's power plant and oil and gas businesses.

The fair values of the above instruments have been estimated using the published market prices or quotes from reputable financial institutions or valuation techniques supported by observable market data. The Group has no significant concentrations of credit risk as at 31 December 2018 and 2017.

### **Company**

- (g) The Company's derivative financial instrument relates to the warrants in Genting Plantations which are exercisable at any time on or after 20 December 2013 up to the date of expiry on 17 June 2019. The warrants are traded in active market with fair value changes recognised in the income statement. The fair value of warrants has been classified as current assets as at 31 December 2018.

**43. CONTRACT ASSETS AND CONTRACT LIABILITIES**

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
<b>Contract assets</b>			
Service concession receivables (see note (a) below)	<b>4,126.8</b>	4,084.1	4,221.3
Accrued billing in respect of property development (see note (b) below)	<b>31.9</b>	8.5	8.3
Accrued income	<b>3.2</b>	2.3	1.5
	<b><u>4,161.9</u></b>	<u>4,094.9</u>	<u>4,231.1</u>
Analysed as follows:			
Current (see Note 32)	<b>506.9</b>	470.8	416.6
Non-current (see Note 28)	<b>3,655.0</b>	3,624.1	3,814.5
	<b><u>4,161.9</u></b>	<u>4,094.9</u>	<u>4,231.1</u>
<b>Contract liabilities</b>			
Customer deposits (see note (c) below)	<b>(167.1)</b>	(176.5)	(130.2)
Advance membership fees (see note (d) below)	<b>(17.2)</b>	(19.9)	(22.6)
Progress billing in respect of property development (see note (b) below)	<b>-</b>	(2.5)	(0.5)
	<b><u>(184.3)</u></b>	<u>(198.9)</u>	<u>(153.3)</u>
Analysed as follows:			
Current (see Note 41)	<b>(169.0)</b>	(181.0)	(131.9)
Non-current (see Note 40)	<b>(15.3)</b>	(17.9)	(21.4)
	<b><u>(184.3)</u></b>	<u>(198.9)</u>	<u>(153.3)</u>

## Notes:

- (a) Service concession receivable relates to the construction of the Group's power plant in Indonesia. The amount will be recovered throughout the concession period, commencing from the commercial operation date of the power plant on 28 March 2017.

The Group signed a Power Purchase Agreement with PLN on 10 July 2012. The Group's responsibilities under the Power Purchase Agreement comprises the design, engineering, financing, construction, testing, commissioning, ownership, operation, management and maintenance of Banten Power Plant.

**CONTRACT ASSETS AND CONTRACT LIABILITIES (Cont'd)**

In assessing the Power Purchase Agreement, the Group has determined that it is within the scope of IC Interpretation 12 “Service Concession Arrangements” based on the following elements:

- PLN controls significant residual interest in the Banten Power Plant at the end of the Power Purchase Agreement as the Group is required to transfer the Banten Power Plant to PLN 25 years after the commercial operation date; and
- PLN regulates the services provided, to whom the services must be provided and the price to be charged.

The Group has also determined that the concession arrangement should be accounted for under the financial assets model as the Group’s power plant in Indonesia has a contractual right to receive a specified or determinable amount of cash from PLN for the construction services.

- (b) Movement of contract assets and contract liabilities in relation to property development is analysed as follows:

	<b>Group</b>	
	<b>2018</b>	2017
At 1 January		
- contract assets	<b>8.5</b>	8.3
- contract liabilities	<b>(2.5)</b>	(0.5)
	<u><b>6.0</b></u>	<u>7.8</u>
Property development revenue recognised	<b>99.4</b>	69.3
Less: Progress billings issued	<b>(73.5)</b>	(71.1)
Balance at the end of the year	<u><b>31.9</b></u>	<u>6.0</u>
Analysed as follows:		
- contract assets	<b>31.9</b>	8.5
- contract liabilities	<b>-</b>	(2.5)
	<u><b>31.9</b></u>	<u>6.0</u>

The contract liabilities at the beginning of the financial year have been recognised as revenue during the financial year.

The amount of unfulfilled performance obligation of RM29.5 million as at the reporting date will be recognised in the financial statements in the next two to three years.

- (c) Customer deposits represent advance payment by customers for future booking of hotel room, food and beverages, transportation and other services provided by the Group.

The Group applies the practical expedient in MFRS 15 “Revenue from Contracts with Customers” for not disclosing the aggregate amount of the revenue expected to be recognised in the future as the performance obligation is part of a contract that has an original expected duration of less than one year.

The aggregate transaction price allocated to unsatisfied (or partially satisfied) performance obligations in respect of timeshare membership amounting to RM17.2 million. The Group expects to recognise these amounts as revenue over the next 15 years.

**CONTRACT ASSETS AND CONTRACT LIABILITIES (Cont'd)**

- (d) Advance membership fees relates to fees received on sale of timeshare units offering a timeshare ownership scheme. These fees are recognised as income on a straight-line basis over the tenure of the membership offered of twenty five years.

Significant changes in contract balances during the year are as follows:

	<b>Group</b>	
	<b>2018</b>	2017
<b>Contract assets/liabilities</b>		
Balance at the beginning of year	<b>3,896.0</b>	4,077.8
Revenue/income recognised during the financial year	<b>622.1</b>	760.9
Progress billing issued	<b>(73.5)</b>	(71.1)
Increase/transfer to receivables	<b>(589.1)</b>	(472.2)
Foreign exchange differences	<b>122.1</b>	(399.4)
Balance at the end of the year	<b><u>3,977.6</u></b>	<u>3,896.0</u>

#### **44. FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES**

##### **(A) Transition from Financial Reporting Standards (“FRS”) to MFRS Framework**

The financial statements of the Group and the Company for the year ended 31 December 2018 are the first set of financial statements prepared in accordance with MFRSs, including MFRS 1 “First-time adoption of MFRS”. Aside from the short-term exemption on first-time application of MFRS 9 and certain transition elections as disclosed below, the Group and Company have consistently applied the same accounting policies in its opening MFRS statement of financial position at 1 January 2017, being the transition date, and throughout all periods presented, as if these policies had always been in effect. These policies comply with each MFRS effective as at 31 December 2018, including MFRS 15 “Revenue from Contracts with Customers”. The financial statements for financial year ended 31 December 2017 was prepared based on FRS. Accordingly, the comparative figures for 2017 in these financial statements have been restated to give effect to these changes. The transition to MFRS Framework has no impact to the Company.

The effects of the Group’s transition to MFRSs including adoption of MFRS 9, 15 and 141 are as follows:

##### **MFRS 1 exemption options**

##### **(i) Exemption for business combinations**

The Group has elected to apply MFRS 3 “Business Combinations” prospectively from the date FRS 3 “Business Combinations” was adopted, i.e. 1 January 2011. Business combinations that occurred prior to that date have not been restated. In addition, the Group has also applied MFRS 10 “Consolidated Financial Statements” on the same date as FRS 3.

##### **(ii) Exemption for cumulative translation differences**

The Group has elected to reset exchange reserve to zero. The foreign exchange reserve of RM5,992.9 million as at 1 January 2017 was reclassified to retained earnings.

##### **(iii) Property, plant and equipment – previous revaluation as deemed cost exemption**

Under FRS, valuation adjustments on certain property, plant and equipment were incorporated into the financial statements. The Group has elected to use the previous revaluation as deemed cost under MFRS. Accordingly, the carrying amounts of these property, plant and equipment as at 1 January 2017 have not been restated. The revaluation reserve of RM293.0 million as at 1 January 2017 was reclassified to retained earnings.

##### **(iv) MFRS 9 “Financial Instruments”**

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application. The Group continues to apply FRS 139 “Financial Instruments: Recognition and Measurement” and FRS 7 “Financial Instruments: Disclosures” for the comparative information. Any adjustments to align the carrying amounts of financial assets and financial liabilities under the previous FRS 139 with MFRS 9 are recognised in retained earnings and other reserves as at 1 January 2018. The impact of the adoption of MFRS 9 is shown in Note 44(C).



## **FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

### **(A) Transition from Financial Reporting Standards (“FRS”) to MFRS Framework (Cont'd)**

#### **(v) MFRS 15 “Revenue from Contracts with Customers”**

The Group has elected the exemption in MFRS 1 which allows the Group not to restate any contracts that are completed as at the date of transition of 1 January 2017. The impact of the adoption of MFRS 15 is shown in Note 44(C).

#### **(vi) Assets and liabilities of subsidiaries, joint ventures and associates**

The assets and liabilities of subsidiaries, joint ventures and associates which have adopted the MFRS or IFRS earlier than the Group shall remain at the same carrying amounts as in the financial statements of these subsidiaries, joint ventures and associates, after adjusting for consolidation adjustments.

The optional exemptions elected by the Group that have an impact on the reported financial positions prepared in accordance with FRSs have been applied in the opening MFRS statement of financial position as at 1 January 2017 and throughout all periods presented in the financial statements.

#### **Effects of adoption of MFRS 141 “Agriculture”**

Prior to the adoption of MFRS 141 “Agriculture”, produce growing on bearer plants was not recognised. Following the adoption of these MFRSs, produce growing on bearer plants are measured at fair value less costs to sell with fair value changes recognised in profit or loss as the produce grows. The produce growing on bearer plants of the Group comprises FFB prior to harvest. Management has deliberated on the oil content of such unharvested FFB which is unripe and concluded that since the oil content of unharvested FFB accrues exponentially up to 15 days prior to harvest, such unharvested FFB more than 15 days are excluded from the valuation as their fair values are considered negligible. The fair value of unharvested FFB is computed based on market approach which takes into consideration the market prices of FFB, adjusted for estimated oil content of unharvested FFB less harvesting, transport and other costs to sell. The financial effects of the adoption of MFRS 141 are disclosed under the transition from FRSs to MFRSs.

#### **Adoption of MFRS 9 “Financial Instruments”**

MFRS 9 replaces MFRS 139 and amends the previous requirements in three main areas: (i) classification and measurement of financial assets; (ii) impairment of financial assets, mainly by introducing a forward looking expected loss impairment model; and (iii) hedge accounting including removing some of the restrictions on applying hedge accounting in MFRS 139. The impact of MFRS 9 adoption are described below:

#### **(i) Classification and measurement**

Under MFRS 9, financial assets are classified according to their cash flow characteristics and the business model which they are managed. The Group has categorised its financial assets as financial assets measured at amortised cost, FVTPL and FVOCI.

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

(A) Transition from Financial Reporting Standards (“FRS”) to MFRS Framework (Cont'd)

Adoption of MFRS 9 “Financial Instruments” (cont'd)

(i) Classification and measurement (cont'd)

The Group has made an irrevocable election to classify RM1,039.2 million of the Group’s equity investments previously classified as AFS at FVOCI on 1 January 2018. Fair value changes on equity investments at FVOCI are presented in OCI and are not subsequently transferred to profit or loss. Upon sale of equity investments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings.

Other available-for-sale investments in equity are classified as financial assets at FVTPL. Certain available-for-sale investments in debt instruments and income funds that do not meet the criteria for classification either as FVOCI or at amortised cost have been classified as FVTPL. Accordingly, RM1,785.9 million has been reclassified as financial assets at FVTPL and their related fair value losses of RM4.6 million were transferred from fair value reserves to retained earnings on 1 January 2018.

The other financial assets held by the Group include:

- equity investments currently measured at FVTPL will continue to be measured on the same basis under MFRS 9; and
- debt instruments currently classified as loans and receivables and measured at amortised cost meet the conditions to be classified at amortised cost under MFRS 9.

There is no impact on the Group for financial liabilities as the new requirements only affect the accounting for financial liabilities that are designated at FVTPL and the Group does not have such liabilities.

(ii) Impairment

MFRS 9 changes the recognition of impairment provision for financial assets by introducing an ECL model. Upon the adoption of MFRS 9, the Group has revised its impairment methodology which depends on whether there has been a significant increase in credit risk. The Group assesses possible increase in credit risk for financial assets measured at amortised cost, contract assets and lease receivables at the end of each reporting period. The impairment provision is estimated at an amount equal to a 12 months ECL at the current reporting date if there has not been a significant increase in credit risk. The assessment has resulted in a decrease of RM5.1 million in retained earnings and RM4.5 million in non-controlling interests with a corresponding adjustment to trade receivables as at 1 January 2018.

(iii) Hedge accounting

The new hedge accounting guidance in MFRS 9 aligns the hedge accounting treatment more closely with the Group’s risk management practices. The Group has applied the new hedge accounting requirements prospectively. The adoption of the new accounting requirements did not have any material impact on the reporting period.

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

(A) Transition from Financial Reporting Standards (“FRS”) to MFRS Framework (Cont'd)

Adoption of MFRS 9 “Financial Instruments” (cont'd)

The Group has elected the exemption in MFRS 1 which allows the Group not to restate comparative information in the year of initial application of MFRS 9.

Adoption of MFRS 15 “Revenue from Contracts with Customers”

With the adoption of MFRS 15, revenue is recognised by reference to each distinct performance obligation in the contracts with customer. Transaction price is allocated to each performance obligation on the basis of the relative standalone selling prices of each distinct good or service promised in the contract. Depending on the substance of the contract, revenue is recognised when the performance obligation is satisfied, which may be at a point in time or over time. The Group has applied this standard retrospectively and has elected the exemption in MFRS 1 not to restate contracts that were completed before 1 January 2017.

The Group has also elected the following practical expedients upon the adoption of MFRS 15:

- (i) completed contracts that began and ended in the same comparative reporting period as well as completed contracts as at date of transition, are not restated; and
- (ii) for all reporting periods presented before the first MFRS reporting period, the amount of transaction price allocated to the remaining performance obligation and an explanation of when the Group expects to recognise the amount as revenue are not disclosed.

The effects from adoption of MFRS 15 are:

- (i) Property development costs and land held for property development will be measured at the lower of costs and net realisable value in accordance with MFRS 102 “Inventories”. Arising therefrom, a write down of RM5.6 million had been provided for land held for property development.
- (ii) The provision for foreseeable losses on the development of affordable housing previously recognised under FRSIC 17 “Development of Affordable Housing” amounted to RM9.1 million as at 31 December 2017 had been reversed and the comparatives are restated.
- (iii) Effect of changes to the timing of revenue recognition for the timeshare membership fees. Accordingly, the Group has deferred the advance membership fee with the corresponding debit to the retained earnings.

The Group has also changed the presentation of certain amounts in trade and other receivables and trade and other payables as at 31 December 2017 and 1 January 2017 on adoption of MFRS 15. Contract assets were previously presented as “trade receivables” (service concession receivable), “accrued billing in respect of property development” and “other receivables”. Contract liabilities were previously presented as “advance membership fees”, “progress billing in respect of property development”, “deferred income” and “other payables”. The details of contract assets and contract liabilities are set out in Note 43.

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

**(B) Changes to Comparative – Reclassifications and Adjustments**

(a) Income Statements

- (i) During the current financial year, the Group and the Company have reclassified the foreign exchange gains/(losses) and fair value changes of financial instruments from other income and other expenses to other gains/(losses) to better reflect the nature and substance of the transactions. The comparatives were restated to conform with current year presentation. See Note 9 for further details on other gains/(losses).
- (ii) The Group had reclassified rental income derived from investment properties and fees from management services provided to plasma cooperatives from other income to revenue to better reflect the nature and substance of the transactions.

(b) Statements of Financial Position

(i) PPA on the acquisition of Knowledge One Investment Pte Ltd

As reported in the previous financial year ended 31 December 2017, AsianIndo Holdings Pte Ltd (“AsianIndo”), a 100% indirect subsidiary of Genting Plantations, had on 10 October 2017 completed the acquisition of 100% equity interest in Knowledge One Investment Pte Ltd which in turn holds 85% equity interest in PT Kharisma Inti Usaha (“PKIU”). As allowed under “MFRS 3 Business Combinations”, Genting Plantations Group had twelve months from the date of acquisition to complete the PPA.

During the current financial year, the Genting Plantations Group has concluded the PPA exercise within the stipulated time period and had adjusted the fair values of certain identifiable assets and liabilities of PKIU. This revision has been accounted for retrospectively.

The following summarises the adjustments made:

	<b>Preliminary</b>	<b>Group</b>	<b>Final</b>
	<b><u>Assessment</u></b>	<b><u>Adjustment</u></b>	<b><u>Assessment</u></b>
Property, plant and equipment	(626.7)	(32.6)	(659.3)
Leasehold land use rights	(163.3)	-	(163.3)
Inventories	(9.2)	0.6	(8.6)
Trade and other receivables	(46.3)	(0.1)	(46.4)
Cash and bank balances	(10.2)	-	(10.2)
Trade and other payables	153.4	0.2	153.6
Borrowings	188.8	-	188.8
Deferred tax liabilities	122.3	36.2	158.5
Non-controlling interests	(10.6)	(4.3)	(14.9)
Total purchase consideration/ Fair value of identifiable net assets acquired	(401.8)	-	(401.8)
Less : Cash and bank balances acquired	10.2	-	10.2
Add : Assumption of liabilities	(139.5)	-	(139.5)
Net cash outflow on acquisition of subsidiaries	<b>(531.1)</b>	<b>-</b>	<b>(531.1)</b>

- (ii) The Group had reclassified interest payable amounting to RM210.0 million and RM79.3 million as at 31 December 2017 and 1 January 2017 respectively from trade and other payables to short term borrowings to conform with the current year’s presentation.

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

- (C) Summary of the effects of the Group's transition from FRSs to MFRSs (including adoption of MFRS 9 and MFRS 15) and reclassifications and adjustments of comparatives

	As previously stated under FRSs	Effects of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	Reclassifi- cations and adjustments	As restated under MFRSs
<b><u>Income Statements</u></b>					
<b>Group</b>					
<b><i>Financial year ended 31 December 2017</i></b>					
Revenue	20,019.6	-	1.6	4.5	20,025.7
Cost of sales	(12,741.8)	(3.2)	(0.7)	(0.8)	(12,746.5)
Other income	1,770.1	-	-	(83.6)	1,686.5
Other expenses	(1,080.5)	-	-	586.8	(493.7)
Other gains/(losses)	-	-	-	(506.9)	(506.9)
Profit before taxation	4,312.2	(3.2)	0.9	-	4,309.9
Taxation	(1,069.4)	0.8	0.2	-	(1,068.4)
Profit for the financial year	3,242.8	(2.4)	1.1	-	3,241.5
Profit attributable to:					
Equity holders of the Company	1,445.3	(1.1)	0.5	-	1,444.7
Non-controlling interests	1,541.0	(1.3)	0.6	-	1,540.3
Earnings per share (sen):					
- Basic	38.28	(0.02)	0.01	-	38.27
- Diluted	37.62	(0.03)	0.01	-	37.60
<b>Company</b>					
<b><i>Financial year ended 31 December 2017</i></b>					
Other income	72.0	-	-	(2.4)	69.6
Other expenses	(126.6)	-	-	126.6	-
Impairment losses	(311.5)	-	-	(116.6)	(428.1)
Other gains/(losses)	-	-	-	(7.6)	(7.6)

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

- (C) Summary of the effects of the Group's transition from FRSs to MFRSs (including adoption of MFRS 9 and MFRS 15) and reclassifications and adjustments of comparatives (Cont'd)

	As previously stated under FRSs	Effects of transition from FRSs to MFRSs	Effects of adoption of MFRS 15	As restated under MFRSs
<b><u>Statements of Comprehensive Income</u></b>				
<b>Group</b>				
<i>Financial year ended 31 December 2017</i>				
Profit for the financial year	3,242.8	(2.4)	1.1	3,241.5
Total comprehensive income for the financial year	707.5	(2.5)	1.1	706.1
Total comprehensive income attributable to:				
Equity holders of the Company	(233.4)	(1.2)	0.5	(234.1)
Non-controlling interests	826.3	(1.3)	0.6	825.6

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

(C) Summary of the effects of the Group's transition from FRs to MFRSs (including adoption of MFRS 9 and MFRS 15) and reclassifications and adjustments of comparatives (Cont'd)

**Statement of Financial Position**

<b>Group</b>	As previously stated under FRs	Effects of transition from FRs to MFRSs	Effects of adoption of MFRS 15	Reclassifications and adjustments	31 December 2017 as restated under MFRSs	Effects of adoption of MFRS 9	1 January 2018
<b>As at 31 December 2017 / 1 January 2018</b>							
<b>Non-current assets</b>							
Property, plant and equipment	36,228.8	-	-	32.6	36,261.4	-	36,261.4
Land held for property development	384.3	-	(5.5)	-	378.8	-	378.8
Available-for-sale financial assets	1,957.4	-	-	-	1,957.4	(1,957.4)	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	791.0	791.0
Financial assets at fair value through profit or loss	-	-	-	-	-	1,165.9	1,165.9
Deferred tax assets	201.3	-	(0.9)	(27.7)	172.7	-	172.7
Other non-current assets	6,019.8	-	-	-	6,019.8	0.5	6,020.3
<b>Current assets</b>							
Inventories	580.4	-	-	(0.6)	579.8	-	579.8
Produce growing on bearer plants	-	6.1	-	-	6.1	-	6.1
Trade and other receivables	2,123.7	-	-	0.1	2,123.8	(9.6)	2,114.2
Available-for-sale financial assets	868.1	-	-	-	868.1	(868.1)	-
Financial assets at fair value through other comprehensive income	-	-	-	-	-	248.1	248.1
Financial assets at fair value through profit or loss	7.4	-	-	-	7.4	620.0	627.4

**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

- (C) Summary of the effects of the Group's transition from FRSS to MFRSs (including adoption of MFRS 9 and MFRS 15) and reclassifications and adjustments of comparatives (Cont'd)

**Statement of Financial Position (Cont'd)**

<b>Group</b>	As previously stated under FRSS	Effects of transition from FRSS to MFRSs	Effects of adoption of MFRS 15	Reclassifications and adjustments	31 December 2017 as restated under MFRSs	Effects of adoption of MFRS 9	1 January 2018
<b>As at 31 December 2017 / 1 January 2018</b>							
<b>Non-current liabilities</b>							
Deferred tax liabilities	2,205.4	0.9	-	8.5	2,214.8	-	2,214.8
Other non-current liabilities	352.9	-	10.4	-	363.3	-	363.3
<b>Current liabilities</b>							
Trade and other payables	5,394.2	-	(7.9)	(209.8)	5,176.5	-	5,176.5
Short term borrowings	2,019.1	-	-	210.0	2,229.1	-	2,229.1
<b>Equity</b>							
Revaluation reserve	292.7	(292.7)	-	-	-	-	-
Fair value reserve	276.9	-	-	-	276.9	4.6	281.5
Foreign exchange and other reserves	4,405.8	(5,992.9)	-	-	(1,587.1)	-	(1,587.1)
Retained earnings	25,322.6	6,288.1	(4.3)	-	31,606.4	(9.7)	31,596.7
Non-controlling interests	23,319.2	2.7	(4.6)	(4.3)	23,313.0	(4.5)	23,308.5



**FIRST TIME ADOPTION OF MFRS FRAMEWORK AND RECLASSIFICATIONS AND ADJUSTMENTS OF COMPARATIVES (Cont'd)**

- (C) Summary of the effects of the Group's transition from FRSs to MFRSs (including adoption of MFRS 9 and MFRS 15) and reclassifications and adjustments of comparatives (Cont'd)

**Statement of Financial Position (cont'd)**

<b>Group</b>	<u>As previously stated under FRSs</u>	<u>Effects of transition from FRSs to MFRSs</u>	<u>Effects of adoption of MFRS 15</u>	<u>Reclassifi- cations and adjustments</u>	<u>1 January 2017 as restated</u>
<b>As at 1 January 2017</b>					
<b>Non-current assets</b>					
Land held for property development	378.9	-	(4.7)	-	374.2
Deferred tax assets	238.9	-	(1.0)	-	237.9
<b>Current asset</b>					
Produce growing on bearer plants	-	9.2	-	-	9.2
<b>Non-current liabilities</b>					
Deferred tax liabilities	2,071.2	1.6	-	-	2,072.8
Other non-current liabilities	326.3	-	12.0	-	338.3
<b>Current liabilities</b>					
Trade and other payables	5,194.0	-	(7.8)	(79.3)	5,106.9
Short term borrowings	2,219.6	-	-	79.3	2,298.9
<b>Equity</b>					
Revaluation reserve	293.0	(293.0)	-	-	-
Foreign exchange and other reserves	6,010.8	(5,992.9)	-	-	17.9
Retained earnings	24,672.5	6,289.6	(4.8)	-	30,957.3
Non-controlling interests	23,550.4	3.9	(5.1)	-	23,549.2

**Statement of Cash Flows****Group*****Financial year ended  
31 December 2017*****Cash flows from operating activities**

Profit before taxation	4,312.2	(3.2)	0.9	-	4,309.9
Fair value gain arising from produce growing on bearer plants	-	3.2	-	-	3.2
Other non-cash items	42.1	-	0.8	-	42.9
Working capital changes:					
- Payables	13.9	-	(1.7)	-	12.2

#### 45. COMMITMENTS

##### (a) Capital Commitments

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Authorised capital expenditure not provided for in the financial statements:			
- contracted	<b>5,076.3</b>	4,476.7	3,912.8
- not contracted	<b>17,113.6</b>	17,320.2	21,302.3
	<b><u>22,189.9</u></b>	<u>21,796.9</u>	<u>25,215.1</u>
Analysed as follows:			
- Property, plant and equipment	<b>21,528.6</b>	21,538.2	23,815.3
- Power concession assets (intangible assets and other non-current assets)	-	-	798.4
- Investments*	<b>566.3</b>	49.4	396.5
- Rights of use of oil and gas assets	<b>59.9</b>	151.1	129.2
- Intangible assets	<b>19.8</b>	29.2	52.8
- Leasehold land use rights	<b>15.3</b>	29.0	22.9
	<b><u>22,189.9</u></b>	<u>21,796.9</u>	<u>25,215.1</u>

\* Includes commitment to invest in joint ventures amounting to RM25.0 million (31 December 2017: RM25.6 million; 1 January 2017: RM20.5 million).

**COMMITMENTS (Cont'd)****(b) Operating Lease Commitments****(i) The Group as lessee**

The future minimum lease payments under non-cancellable operating leases are payable as follows:

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Not later than one year	<b>119.2</b>	127.1	117.2
Later than one year but not later than five years	<b>162.4</b>	227.8	271.3
Later than five years	<b>318.7</b>	358.0	254.9
	<b><u>600.3</u></b>	<u>712.9</u>	<u>643.4</u>

The operating lease commitments mainly relate to leases of offices, land and buildings and equipments under non-cancellable operating lease agreement. The leases have varying terms, escalation clauses and renewal rights.

**(ii) The Group as lessor**

The future minimum lease receivables under non-cancellable operating lease are as follows:

	<b>31.12.2018</b>	<b>Group</b> 31.12.2017	1.1.2017
Not later than one year	<b>50.8</b>	41.9	60.7
Later than one year but not later than five years	<b>50.8</b>	31.2	58.0
Later than five years	<b>0.4</b>	2.0	3.6
	<b><u>102.0</u></b>	<u>75.1</u>	<u>122.3</u>

The Group leases out retail spaces and offices to non-related parties under non-cancellable operating leases. The leases have varying terms, escalation clauses and renewal rights. Generally, the lessees are required to pay contingent rents computed based on their turnover achieved during the lease period.

#### **46. ONGOING LITIGATION AND CONTINGENT LIABILITY**

On 26 November 2018, Genting Malaysia filed a complaint in United States District Court for the Central District of California against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, Twenty-First Century Fox, Inc., FoxNext, LLC (collectively, “Fox”), and The Walt Disney Company in connection with the planned Fox-branded theme park (“Theme Park”) at Resorts World Genting.

Genting Malaysia alleged claims for breach of contract, breach of the implied covenant of good faith and fair dealing, inducing breach of contract, and intentional interference with contract arising from Fox’s alleged improper termination of the parties’ 1 June 2013 Memorandum of Agreement. In connection with those claims, Genting Malaysia is seeking to recover its investment in the Theme Park, as well as consequential and punitive damages in an amount to be proven at trial, with total damages estimated to exceed USD1 billion (equivalent of approximately RM4.2 billion).

On 22 January 2019, Fox filed answers to Genting Malaysia’s lawsuit. At the same time, Fox filed a counter claim (“Counterclaims”) against Genting Malaysia, in which it alleged that Genting Malaysia owes Fox approximately USD46.4 million (equivalent to approximately RM191.7 million) in termination fees, plus interest, as well as consequential damages, reasonable costs and other relief under applicable law. Genting Malaysia intends to oppose the Counterclaims and believes they are without merit.

Genting Malaysia Group are of the view that the obligation to pay is neither remote nor probable as the litigation is in its initial phase and the outcome of the claim cannot be predicted with certainty. Therefore, this claim is disclosed as a contingent liability in accordance with MFRS 137 “Provisions, Contingent Liabilities and Contingent Assets”.

Other than the above, there were no contingent liabilities or contingent assets as at 31 December 2018 (2017: Nil).

#### 47. SIGNIFICANT SUBSEQUENT EVENTS

- (a) On 26 December 2018, the Company announced that Resorts World Las Vegas, LLC ("RWLV") ("Defendant"), an indirect wholly owned subsidiary of the Company that is developing the Resorts World Las Vegas property located at the northeast intersection of S Las Vegas Blvd and Resorts World Drive in Las Vegas, Nevada, U.S., notified the Company on 24 December 2018 that a complaint dated 21 December 2018 was filed by Wynn Resorts Holdings, LLC ("Plaintiff"), a Nevada limited liability company, against RWLV alleging trade dress infringement, trademark dilution and copyright infringement over the design of RWLV's upcoming Resorts World Las Vegas hotel and casino resort property.

On 11 January 2019, the Company further announced that the Plaintiff has served on the Defendant an application for temporary restraining order and motion for preliminary injunction dated 27 December 2018 (collectively "Plaintiff's Suit").

On 29 January 2019, the Company further announced that in respect of the complaint dated 21 December 2018 and the Plaintiff's Suit, the Plaintiff and Defendant have reached a settlement in respect of the Plaintiff's Suit.

- (b) On 30 January 2019, the Company announced that its 57.9% owned indirect subsidiary, LLPL Capital Pte Ltd ("LLPL Capital"), has on 29 January 2019 completed the book-building process and priced its offering of USD775,000,000 6.875% guaranteed secured senior notes due 2039 ("Senior Notes"). The Senior Notes have been offered (1) within the United States only to qualified institutional buyers in reliance on the exemption from registration requirements of the U.S. Securities Act 1933 ("Securities Act") provided by Rule 144A under the Securities Act and (2) outside the United States in offshore transactions in compliance with Regulation S under the Securities Act. The Senior Notes are unconditionally and irrevocably guaranteed by PT Lestari Banten Energi, a 55.0% owned indirect subsidiary of the Company. On 7 February 2019, the Company further announced that the Senior Notes have been issued by LLPL Capital on 4 February 2019 and listed on Singapore Exchange Securities Trading Limited on 7 February 2019.
- (c) On 24 January 2019, Genting Malaysia announced that the Kuala Lumpur High Court ("High Court") had granted Genting Malaysia's application for leave to commence judicial review of a decision by the Ministry of Finance ("MOF") to amend the terms of the tax incentives previously granted to Genting Malaysia ("MOF Decision") and a stay of the MOF Decision pending disposal of the judicial review application before the High Court.

Genting Malaysia's application for tax incentives for the Genting Integrated Tourism Plan was approved by the MOF in December 2014, which amongst others, entitled Genting Malaysia to claim for income tax exemption equivalent to 100% of qualifying capital expenditure incurred for a period of 10 years ("2014 Tax Incentive Approval"). The MOF made a decision to amend the 2014 Tax Incentive Approval in December 2017. The amendment does not remove the tax incentives previously granted but will effectively prolong the utilisation period of the tax allowances significantly.

**48. SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES**

In the normal course of business, the Group and the Company undertake on agreed terms and prices, transactions with its related companies and other related parties.

In addition to related party disclosures mentioned elsewhere in the financial statements, set out below are other significant related party transactions and balances. The related party transactions listed below were carried out on terms and conditions negotiated and agreed between the parties.

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>(a) Transactions with subsidiaries</b>				
(i) Licensing fees from the subsidiaries to the Company for the use of name and accompanying logo of “Genting”, “Resorts World” and “Awana” owned by the Company.	-	-	<b>223.9</b>	206.8
(ii) Management fees from Genting Hotel & Resorts Management Sdn Bhd (“GHRM”), a wholly owned subsidiary of the Company, to the Company for the provision of the necessary resort management services to enable GHRM to perform its various obligations under the Resort Management Agreement with Genting Malaysia.	-	-	<b>476.0</b>	411.2
(iii) Finance cost charged by subsidiaries to the Company on the interest bearing portion of the amount due to subsidiaries.	-	-	<b>180.0</b>	180.2
(iv) Provision of information technology consultancy, development, implementation, support and maintenance service, other management services and rental of information technology equipment by subsidiaries to the Company.	-	-	<b>3.2</b>	2.7
(v) Rental charges for office space and related services by a subsidiary of Genting Malaysia to the Company.	-	-	<b>2.7</b>	2.7
(vi) Provision of management and/or support services by the Company to its subsidiaries.	-	-	<b>21.0</b>	18.4

**SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>(b) Transactions with associates and joint ventures</b>				
(i) Provision of the management and/or support services and licensing fee by the Group to Resorts World Inc Pte Ltd (“RWI”), a joint venture of the Group.	<b>0.7</b>	1.3	<b>0.6</b>	1.2
(ii) Licensing fee for the use of the name “Genting” charged by wholly owned subsidiaries of the Company to Genting Simon and Genting Highlands Premium Outlets Sdn Bhd (“GHPO”), joint ventures of the Genting Plantations Group.	<b>1.4</b>	0.6	-	-
(iii) Provision of services in connection with the clinical study by TauRx Pharmaceuticals Ltd Group, an associate of the Group, to a subsidiary of the Company.	<b>8.4</b>	16.7	-	-
(iv) Provision of management services by Genting Awanpura Sdn Bhd, a wholly owned subsidiary of Genting Plantations, to Genting Simon and GHPO.	<b>1.1</b>	0.5	-	-
(v) Provision of goods and/or services by DCP (Sentosa) Pte Ltd (“DCP (Sentosa)”), a joint venture of Genting Singapore to Genting Singapore Group.	<b>59.5</b>	57.4	-	-
(vi) Provision of goods and/or services by Genting Singapore Group to DCP (Sentosa).	<b>3.3</b>	3.6	-	-
(vii) Letting of a premise by Genting Malaysia to GHPO.	-	4.2	-	-
(viii) Rental income received from GHPO under the long-term lease arrangement by Genting Malaysia Group.	<b>33.9</b>	-	-	-
(ix) Provision of utilities, maintenance, security and construction management services by Genting Malaysia Group to GHPO.	<b>2.1</b>	4.5	-	-
(x) Interest income earned by indirect subsidiaries from their associates.	<b>2.8</b>	13.7	-	-

**SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
(xi) Purchase of electronic table games by Genting Malaysia Group from RWI Group.	<b>3.3</b>	6.8	-	-
(xii) Licensing fee for the use of “Resorts World” and “Genting” intellectual property in the US and Bahamas charged by RWI Group to Genting Malaysia Group.	<b>69.6</b>	75.4	-	-
(xiii) Licensing fee for the use of gaming software charged by RWI Group to Genting Malaysia Group.	<b>2.9</b>	2.3	-	-
(xiv) Licensing fee for the use of Dynamic Reporting System charged by RWI Group to Genting Malaysia Group.	<b>2.1</b>	1.0	-	-
<b>(c) Transactions with other related parties</b>				
(i) Rental of premises and provision of connected services by Genting Malaysia to Warisan Timah Holdings Sdn Bhd (“Warisan Timah”). Datuk Lim Chee Wah, a brother of Tan Sri Lim Kok Thay (“TSLKT”) and an uncle of Lim Keong Hui (“LKH”), has deemed interest in Warisan Timah.	<b>2.4</b>	2.2	-	-
(ii) Letting of premises by Genting Development Sdn Bhd (“GDSB”) to Genting Malaysia Group. The late Puan Sri Lim (nee Lee) Kim Hua, the mother of TSLKT and the grandmother of LKH, is a shareholder of GDSB. Among others, TSLKT and Mr Teo Eng Siong had been named as Executors and Trustees of the Estate of Puan Sri Lim (nee Lee) Kim Hua.	<b>0.3</b>	1.0	-	-
(iii) Provision of information technology consultancy, development, implementation, support and maintenance services and other management services by Genting Malaysia Group to Genting Hong Kong Limited (“Genting Hong Kong”) Group, a company in which certain Directors of the Company have interests.	<b>0.5</b>	1.1	-	-



**SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
(iv) Sale of refined palm oil products to Inter-Continental Oils & Fats Pte Ltd, a wholly owned subsidiary of Musim Mas Holdings Pte Ltd, the holding company of Musim Mas International (South Asia) Pte Ltd, which in turn holds 28% equity interest in Genting MusimMas Refinery Sdn Bhd.	<b>704.9</b>	481.8	-	-
(v) Sale of fresh fruit bunches by PT Agro Abadi Cemerlang (“PT AAC”) to Sepanjang Group, which vide PalmIndo Holdings Pte Ltd and PT Bintang Harapan Desa, holds an effective 30% equity interest in PT AAC.	<b>5.8</b>	10.3	-	-
(vi) Disposal of PT Permata Sawit Mandiri to PT Suryaborneo Mandiri, which is owned by a major shareholder in PalmIndo Holdings Pte Ltd, an indirect subsidiary of Genting Plantations.	-	14.1	-	-
(vii) Purchase of holiday packages by Genting Malaysia Group from Genting Hong Kong Group.	<b>1.4</b>	0.9	-	-
(viii) Provision of management and consultancy service on theme park and resort development and operations by International Resort Management Services Pte Ltd (“IRMS”), an entity connected with certain Directors of the Company and Genting Malaysia, to Genting Malaysia Group and an indirect wholly owned subsidiary of the Company.	<b>5.4</b>	11.2	-	-

**SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	<b>2017</b>	<b>2018</b>	<b>2017</b>
(ix) Provision of water supply services by Bimini Bay Water Ltd., an entity connected with shareholder of BB Entertainment Ltd (“BBEL”) to Genting Malaysia Group.	<b>2.3</b>	3.2	-	-
(x) Provision of maintenance services by entities connected with shareholder of BBEL to Genting Malaysia Group.	<b>6.8</b>	18.6	-	-
(xi) Rental charges for office space by Genting Malaysia Group to Genting Hong Kong Group.	<b>6.8</b>	5.4	-	-
(xii) Provision of construction services by an entity connected with shareholder of BBEL to Genting Malaysia Group.	<b>58.5</b>	7.7	-	-
(xiii) Purchase of rooms by Genting Malaysia Group from an entity connected with shareholder of BBEL.	-	0.8	-	-
(xiv) Provision of aviation related services by Genting Malaysia Group to Genting Hong Kong Group.	<b>5.4</b>	0.7	-	-
(xv) Air ticketing services and provision of reservation and booking services rendered by Genting Hong Kong to Genting Singapore Group.	<b>8.0</b>	8.7	-	-
(xvi) Provision of information technology, implementation, support and maintenance services, hotel accommodation, food and beverage and theme park charges by Genting Singapore Group to Genting Hong Kong Group.	<b>3.2</b>	5.8	-	-
(xvii) Leasing of office space and related expenses by IRMS from Genting Singapore Group.	<b>0.7</b>	0.8	-	-
(xviii) Provision of consultancy services by IRMS to Genting Singapore Group.	<b>0.1</b>	1.2	-	-

**SIGNIFICANT RELATED PARTY TRANSACTIONS AND BALANCES (Cont'd)**

	<b>Group</b>		<b>Company</b>	
	<b>2018</b>	2017	<b>2018</b>	2017
<b>(d) Directors and key management personnel</b>				
The remuneration of Directors and other key management personnel is as follows:				
Fees, salaries and bonuses	<b>124.8</b>	142.6	<b>52.5</b>	59.6
Defined contribution plan	<b>17.4</b>	20.2	<b>9.1</b>	10.5
Other short term employee benefits	<b>0.4</b>	0.5	-	-
Share-based payments	<b>29.3</b>	21.8	-	-
Provision for retirement gratuities	<b>19.9</b>	26.4	<b>13.2</b>	13.4
Estimated money value of benefits-in-kind (not charged to the income statements)	<b>2.0</b>	2.0	<b>0.1</b>	0.1

The outstanding balances as at 31 December 2018, 31 December 2017 and 1 January 2017, arising from sale/purchase of services, and payments made on behalf/receipts from the subsidiaries, associates and joint ventures are disclosed in Notes 22, 23 and 24. The outstanding balances arising from other related sales/purchases are not material as at reporting date.

**49. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
<b>Direct Subsidiaries of the Company:</b>				
GB Services Berhad	<b>100.0</b>	100.0	Malaysia	Issuance of private debt securities
Genting Bio Cellular Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Investments
Genting Capital Berhad	<b>100.0</b>	100.0	Malaysia	Issuance of private debt securities
Genting Capital Limited	<b>100.0</b>	100.0	Labuan, Malaysia (“Labuan”)	Offshore financing
Genting Dementia Centre Sdn Bhd	<b>100.0</b>	-	Malaysia	Provision of project management services and other management services
+ Genting Energy Limited	<b>100.0</b>	100.0	Isle of Man (“IOM”)	Investment holding
+ Genting Equities (Hong Kong) Limited	<b>100.0</b>	100.0	Hong Kong, SAR (“HK”)	Investments
+ Genting Games Pte Ltd	<b>100.0</b>	100.0	Singapore	Investments
Genting Genomics Limited	<b>100.0</b>	100.0	IOM	Investment holding
Genting Hotel & Resorts Management Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Provision of resort management services
+ Genting Intellectual Property Pte Ltd	<b>100.0</b>	100.0	Singapore	Investments
Genting Intellectual Property Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Licensing of intellectual property and provision of related services
Genting (Labuan) Limited	<b>100.0</b>	100.0	Labuan	Rent-A-Captive Offshore insurance business
Genting Malaysia Berhad (“Genting Malaysia”) (see Note 22)	<b>49.5</b>	49.3	Malaysia	Involved in an integrated resort business at Genting Highlands and its principal activities cover leisure and hospitality services, which comprise gaming, hotels, food and beverage, theme parks, retail and entertainment attractions

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Genting Management and Consultancy Services Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Management services
+ Genting Management (Singapore) Pte Ltd	<b>100.0</b>	100.0	Singapore	Investments
Genting Oil & Gas Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Provision of advisory, technical and administrative services to oil and gas companies
+ Genting Overseas Holdings Limited	<b>100.0</b>	100.0	IOM	Investment holding
+ Genting Overseas Investments Limited	<b>100.0</b>	100.0	IOM	Investments
Genting Plantations Berhad (“Genting Plantations”)	<b>51.4</b>	51.6	Malaysia	Plantation and provision of management services to its subsidiaries
Genting Risk Solutions Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Provision of risk and insurance management consultancy services
+ Genting Strategic Investments (Singapore) Pte Ltd	<b>100.0</b>	100.0	Singapore	Investments
Genting TauRx Diagnostic Centre Sdn Bhd	<b>80.0</b>	80.0	Malaysia	Creation of a service and technology platform for early diagnosis and treatment of Alzheimer’s disease and other neurodegenerative diseases
+ Logan Rock Limited	<b>100.0</b>	100.0	IOM	Investments
Peak Avenue Limited	<b>100.0</b>	100.0	IOM	Investment holding
Peak Hill Limited	<b>100.0</b>	100.0	IOM	Investment holding
Phoenix Spectrum Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Investments
Prime Offshore (Labuan) Limited	<b>100.0</b>	100.0	Labuan	Offshore financing
Setiacahaya Sdn Bhd <sup>@</sup>	<b>50.0</b>	50.0	Malaysia	Property investment
Suasana Cergas Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Financing
Suasana Duta Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Investment
Suasana Muhibbah Sdn Bhd	<b>100.0</b>	-	Malaysia	Financing

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
+ Vista Knowledge Pte Ltd	<b>100.0</b>	100.0	Singapore	Investments
+ Resorts World Bhd (Hong Kong) Limited	<b>100.0</b>	100.0	HK	Dormant
+ Resorts World (Singapore) Pte Ltd	<b>100.0</b>	100.0	Singapore	Dormant
+ Genting Bhd (Hong Kong) Limited	<b>100.0</b>	100.0	HK	Pre-operating
Genting Digital Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Pre-operating
+ Genting Gaming Solutions Pte Ltd	<b>100.0</b>	100.0	Singapore	Pre-operating
+ Genting Global Pte Ltd	<b>100.0</b>	100.0	Singapore	Pre-operating
Genting Group Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Pre-operating
+ Genting Innovation Pte Ltd	<b>100.0</b>	100.0	Singapore	Pre-operating
Genting Intellectual Ventures Limited	<b>100.0</b>	100.0	IOM	Pre-operating
Genting Strategic Holdings Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Pre-operating
Genting Strategic Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Pre-operating
+ Genting Strategic (Singapore) Pte Ltd	<b>100.0</b>	100.0	Singapore	Pre-operating
Prime International Labuan Limited	<b>100.0</b>	100.0	Labuan	Pre-operating
+ Resorts World Limited	<b>100.0</b>	100.0	HK	Pre-operating
Sri Highlands Express Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Pre-operating
<b>Indirect Subsidiaries of the Company:</b>				
Awana Hotels & Resorts Management Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Provision of hotels and resorts management services
* DNA Electronics, Inc	<b>82.1</b>	82.1	United States of America ("US")	Research & development on technologies for genetic analysis and sequencing
* DNAe Diagnostic Limited	<b>82.1</b>	82.1	United Kingdom ("UK")	Research & development on technologies for genetic analysis and sequencing

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
* DNAe Group Holdings Limited	<b>82.1</b>	82.1	UK	Research & development on technologies for genetic analysis and sequencing
* DNAe Oncology Limited	<b>82.1</b>	82.1	UK	Research & development on technologies for genetic analysis and sequencing for oncology applications
Dragasac Limited	<b>100.0</b>	100.0	IOM	Investments
Edith Grove Limited	<b>100.0</b>	100.0	IOM	Investment holding
# Fujian Electric (Hong Kong) LDC	<b>100.0</b>	100.0	Cayman Islands ("Cayman")	Investment holding
# Genting Assets, INC	<b>100.0</b>	100.0	US	Investment holding
+ Genting CDX Singapore Pte Ltd	<b>95.0</b>	95.0	Singapore	Oil & gas development and production
+ Genting Energy Property Pte Ltd	<b>95.0</b>	95.0	Singapore	Investment holding
Genting Industrial Holdings Limited	<b>97.7</b>	97.7	IOM	Investment holding
Genting Laboratory Services Sdn Bhd	<b>100.0</b>	100.0	Malaysia	To undertake the collection, analysis and testing of specimens, samples and/or data for research and evaluation activities
+ Genting Lanco Power (India) Private Limited	<b>74.0</b>	74.0	India	Provision of operation and maintenance services for power plant
+ Genting MultiModal Imaging Pte Ltd	<b>100.0</b>	100.0	Singapore	Investment holding, licensing of intellectual property and provision of related services
+ Genting MZW Pte Ltd	<b>100.0</b>	100.0	Singapore	Investment holding
+ Genting Oil & Gas Limited	<b>95.0</b>	95.0	IOM	Investment holding
+ Genting Oil Kasuri Pte Ltd	<b>95.0</b>	95.0	Singapore	Oil and gas exploration and development
Genting Power China Limited	<b>100.0</b>	100.0	Bermuda	Investment holding
+ Genting Power Holdings Limited	<b>100.0</b>	100.0	IOM	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
+ Genting Power (India) Limited	<b>100.0</b>	100.0	Mauritius	Investment holding
Genting Power Indonesia Limited	<b>100.0</b>	100.0	IOM	Investment holding
+ Genting Sanyen Enterprise Management Services (Beijing) Co Ltd	<b>100.0</b>	100.0	China	Provision of management services
Genting Sanyen (Malaysia) Sdn Bhd	<b>97.7</b>	97.7	Malaysia	Investment holding and provision of management services
Genting Sanyen Power (Labuan) Limited	<b>100.0</b>	100.0	Labuan	Investment holding
+ Genting Singapore Limited (“Genting Singapore”)	<b>52.7</b>	52.8	IOM^^	Investment holding
GOHL Capital Limited	<b>100.0</b>	100.0	IOM	Financing
+ GP Renewables Pte Ltd	<b>100.0</b>	100.0	Singapore	Investment holding
+ GP Wind (Jangi) Private Limited	<b>100.0</b>	100.0	India	Generation and supply of electric power
+ Green Synergy Holdings Pte Ltd	<b>100.0</b>	100.0	Singapore	Investment holding
Lacustrine Limited	<b>100.0</b>	100.0	IOM	Investments
+ Lestari Listrik Pte Ltd	<b>57.9</b>	57.9	Singapore	Investment holding and provision of investment management services
+ LLPL Capital Pte Ltd	<b>57.9</b>	-	Singapore	Investment holding
+ LLPL Management Pte Ltd	<b>57.9</b>	-	Singapore	Investment holding
# Meizhou Wan Power Production Holding Company, Ltd	<b>100.0</b>	100.0	Cayman	Investment holding
Newquest Limited	<b>100.0</b>	100.0	IOM	Investments
+ Newquest Resources Pte Ltd	<b>100.0</b>	100.0	Singapore	Investment holding
Newquest Ventures Sdn Bhd	<b>100.0</b>	100.0	Malaysia	Investment holding
+ Oriental Explorer Pte Ltd	<b>95.0</b>	95.0	Singapore	Leasing of land rig
+ PT Lestari Banten Energi	<b>55.0</b>	55.0	Indonesia	Generation and supply of electric power
+ PT Lestari Properti Investama	<b>95.0</b>	95.0	Indonesia	Property investment
+ PT Varita Majutama	<b>95.0</b>	95.0	Indonesia	Oil palm plantation



**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
+ Resorts World Las Vegas LLC	<b>100.0</b>	100.0	US	Development of Resorts World Las Vegas
# RW EB-5 RC, LLC	<b>100.0</b>	100.0	US	Investment holding
# RWLV EB-5, LLC	<b>100.0</b>	100.0	US	Investment holding
# RWLV Hotels EB-5, LLC	<b>100.0</b>	100.0	US	Investment holding
# RWLV Hotels, LLC	<b>100.0</b>	100.0	US	Investment holding
# RWLV, LLC	<b>100.0</b>	100.0	US	Investment holding
+ Swallow Creek Limited	<b>95.0</b>	95.0	IOM	Investment holding
+ WEB Energy Ltd	<b>100.0</b>	100.0	Mauritius	Investment holding
Dasar Pinggir (M) Sdn Bhd	<b>97.7</b>	97.7	Malaysia	Dormant
Genting Bio-Oil Sdn Bhd	<b>97.7</b>	97.7	Malaysia	Dormant
Genting Energy Sdn Bhd	<b>97.7</b>	97.7	Malaysia	Dormant
Genting International Paper Limited	<b>100.0</b>	100.0	IOM	Dormant
Genting Overseas Management Limited	<b>100.0</b>	100.0	IOM	Dormant
+ Genting Power (M) Limited	<b>100.0</b>	100.0	IOM	Dormant
+ Genting Property Limited	<b>100.0</b>	100.0	IOM	Dormant
+ Green Synergy Limited	<b>100.0</b>	100.0	HK	Dormant
+ Lestari Energi Pte Ltd	<b>100.0</b>	100.0	Singapore	Dormant
North Crest Limited	<b>100.0</b>	100.0	IOM	Dormant
Oxalis Limited	<b>100.0</b>	100.0	IOM	Dormant
Roundhay Limited	<b>95.0</b>	95.0	IOM	Dormant
# DNAe Thermal Limited	<b>82.1</b>	82.1	UK	Pre-operating
# Genting Leisure LLC	<b>100.0</b>	100.0	US	Pre-operating
Genting Petroleum Ventures Limited	<b>95.0</b>	95.0	IOM	Pre-operating
Genting Power International Limited	<b>100.0</b>	100.0	IOM	Pre-operating
Genting Power Philippines Limited	<b>100.0</b>	100.0	IOM	Pre-operating
Genting Sanyen Indonesia Limited	<b>95.0</b>	95.0	IOM	Pre-operating

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
# NanoMR, LLC	<b>82.1</b>	82.1	US	Pre-operating
# PT Lestari Banten Listrik	<b>55.0</b>	55.0	Indonesia	Pre-operating
# Resorts World Las Vegas Hotels, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RW EB-5 Regional Center, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RW Las Vegas EB-5, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RW Las Vegas Hotels EB-5, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 1, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 2, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 3, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 4, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 5, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 6, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 7, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 8, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV EB-5 Fund 9, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 1, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 2, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 3, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 4, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 5, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 6, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 7, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 8, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 9, LLC	<b>100.0</b>	100.0	US	Pre-operating
# RWLV Hotels EB-5 Fund 10, LLC	<b>100.0</b>	100.0	US	Pre-operating
# GP (Raigad) Pte Ltd (In Member's Voluntary Liquidation)	<b>100.0</b>	100.0	Singapore	In liquidation ~
GT Crest Holdings Limited	-	100.0	UK	Dissolved

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
<b>Subsidiaries of Genting Malaysia:</b>				
* ABC Biscayne LLC	<b>49.5</b>	49.3	US	Letting of property and provision of management services
Aliran Tunas Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of water services at Genting Highlands
+ Ascend International Holdings Limited	<b>49.5</b>	49.3	HK	Provision of IT related services and marketing services; and investment holding
Ascend Solutions Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of IT and consultancy services
Awana Vacation Resorts Development Berhad	<b>49.5</b>	49.3	Malaysia	Proprietary time share ownership scheme
# Bayfront 2011 Development, LLC	<b>49.5</b>	49.3	US	Property development
+ BB Entertainment Ltd	<b>38.6</b>	38.5	Commonwealth of The Bahamas (“Bahamas”)	Owner and operator of casino and hotel
# BB Investment Holdings Ltd	<b>49.5</b>	49.3	Bahamas	Investment holding
# Bimini SuperFast Charter Limited	<b>49.5</b>	49.3	IOM	Investment holding
# Bimini SuperFast Limited	<b>49.5</b>	49.3	IOM	Owner of sea vessels
# Bimini SuperFast Operations LLC	<b>49.5</b>	49.3	US	Provision of support services
Bromet Limited	<b>49.5</b>	49.3	IOM	Investment holding
# Chelsea Court Limited	<b>49.5</b>	49.3	IOM	Investment holding
+ Coastbright Limited	<b>49.5</b>	49.3	UK	Casino operator
# Digital Tree (USA) Inc	<b>49.5</b>	49.3	US	Investment holding
Eastern Wonder Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Support services
E-Genting Holdings Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
First World Hotels & Resorts Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Hotel business
+ Freeany Enterprises Limited	<b>49.5</b>	49.3	UK	Administrative services
Genasa Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Property development, sale and letting of apartment units
GENM Capital Berhad	<b>49.5</b>	49.3	Malaysia	Issuance of private debt securities
Genmas Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Sale and letting of land
Gensa Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Sale and letting of land and property
Genting Administrative Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Investment holding
* Genting Americas Holdings Limited	<b>49.5</b>	49.3	UK	Investment holding
+ Genting Americas Inc	<b>49.5</b>	49.3	US	Investment holding
+ Genting Casinos Egypt Limited	<b>49.5</b>	49.3	UK	Casino operator
+ Genting Casinos UK Limited	<b>49.5</b>	49.3	UK	Casino and online gaming operator
Genting Centre of Excellence Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of training services
Genting CSR Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Investment holding
Genting East Coast USA Limited	<b>49.5</b>	49.3	IOM	Investment holding
Genting Entertainment Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Show agent
# Genting Florida LLC	<b>49.5</b>	49.3	US	Investment holding
Genting Golf Course Bhd	<b>49.5</b>	49.3	Malaysia	Condotel and hotel business, golf resort and property development
Genting Highlands Berhad	<b>49.5</b>	49.3	Malaysia	Land and property development
Genting Highlands Tours and Promotion Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Letting of land and premises

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Genting Information Knowledge Enterprise Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Research in software development, provision of IT and consultancy services
+ Genting International Investment Properties (UK) Limited	<b>49.5</b>	49.3	UK	Property investment company
+ Genting International Investment (UK) Limited	<b>49.5</b>	49.3	UK	Investment holding
# Genting International (UK) Limited	<b>49.5</b>	49.3	UK	Investment holding
# Genting Malta Limited	<b>49.5</b>	-	Malta	Provision of gambling related consultancy services to its holding company
# Genting Massachusetts LLC	<b>49.5</b>	49.3	US	Investment holding
# Genting Nevada Inc	<b>49.5</b>	49.3	US	Investment holding
+ Genting New York LLC	<b>49.5</b>	49.3	US	Operator of a video lottery facility
# Genting North America Holdings LLC	<b>49.5</b>	49.3	US	Investment holding
Genting Project Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of project management and construction management services
+ Genting Properties (UK) Pte Ltd	<b>49.5</b>	49.3	Singapore	Property investment
Genting Skyway Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of cable car services and related support services
+ Genting Solihull Limited	<b>49.5</b>	49.3	UK	Property investment and development, investment holding and hotel and leisure facilities operator
Genting Studios Sdn Bhd (formerly known as Genting Leisure Sdn Bhd)	<b>49.5</b>	49.3	Malaysia	Investment holding; and creative, arts and entertainment activities
+ Genting UK Plc	<b>49.5</b>	49.3	UK	Investment holding
Genting (USA) Limited	<b>49.5</b>	49.3	IOM	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
Genting Utilities & Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of electricity supply services at Genting Highlands and investment holding
Genting World Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Leisure and entertainment business
Genting WorldCard Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of loyalty programme services
Genting Worldwide (Labuan) Limited	<b>49.5</b>	49.3	Labuan	Offshore financing
Genting Worldwide Limited	<b>49.5</b>	49.3	IOM	Investment holding
+ Genting Worldwide Services Limited	<b>49.5</b>	49.3	UK	Investment holding
Genting Worldwide (UK) Limited	<b>49.5</b>	49.3	IOM	Investment holding
Gentinggi Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Investment holding
GHR Risk Management (Labuan) Limited	<b>49.5</b>	49.3	Labuan	Offshore captive insurance
+ Golden Site Pte Ltd	<b>49.5</b>	49.3	Singapore	International sales and marketing services
# Hill Crest LLC	<b>49.5</b>	49.3	US	Investment holding
Kijal Facilities Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Letting of its apartment unit
Kijal Resort Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Property development and property management
Lafleur Limited	<b>49.5</b>	49.3	IOM	Investment holding
Leisure & Cafe Concept Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Karaoke business
Lingkaran Cergas Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Providing liquefied petroleum gas services at Genting Highlands
# MLG Investments Limited	<b>49.5</b>	49.3	UK	Investment holding
Nature Base Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Providing collection and disposal of garbage services at Genting Highlands
Nedby Limited	<b>49.5</b>	49.3	IOM	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	2017		
Netyield Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of sewerage services at Genting Highlands
Oakwood Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Property investment and management
Orient Star International Limited	<b>49.5</b>	49.3	Bermuda	Ownership and operation of aircraft
Orient Wonder International Limited	<b>49.5</b>	49.3	Bermuda	Ownership and operation of aircraft
Papago Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Resort and hotel business
+ Park Lane Mews Hotel London Limited	<b>49.5</b>	49.3	UK	Hotel operator
Possible Wealth Sdn Bhd	<b>49.5</b>	49.3	Malaysia	International sales and marketing services; and investment holding
Resorts Facilities Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of support services to the leisure and hospitality industry
Resorts Tavern Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Land and property development
* Resorts World Aviation LLC	<b>49.5</b>	49.3	US	Owner and lessor of aeroplanes
Resorts World Capital Limited	<b>49.5</b>	49.3	IOM	Investment holding
Resorts World Limited	<b>49.5</b>	49.3	IOM	Investment holding and investment trading
* Resorts World Miami LLC	<b>49.5</b>	49.3	US	Property investment
* Resorts World Omni LLC	<b>49.5</b>	49.3	US	Hotel business, property management and property investment
Resorts World Properties Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Investment holding
Resorts World Tours Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Provision of tour and travel related services
* Resorts World Travel Services Private Limited	<b>49.5</b>	49.3	India	Travel agency

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
* RWBB Management Ltd	49.5	49.3	Bahamas	Provision of casino management services
* RWBB Resorts Management Ltd	49.5	49.3	Bahamas	Provision of resort management services
Seraya Mayang Sdn Bhd	49.5	49.3	Malaysia	Investment holding
Setiaseri Sdn Bhd	49.5	49.3	Malaysia	Letting of its apartment units
Sierra Springs Sdn Bhd	49.5	49.3	Malaysia	Investment holding
# Stanley Casinos Holdings Limited	49.5	49.3	UK	Investment holding
# Stanley Overseas Holdings Limited	49.5	49.3	UK	Investment holding
# Two Digital Trees LLC	49.5	49.3	US	Investment holding
+ Vestplus (Hong Kong) Limited	49.5	49.3	HK	Payment and collection agent
Vestplus Sdn Bhd	49.5	49.3	Malaysia	Sale and letting of apartment units; and payment and collection agent
Widuri Pelangi Sdn Bhd	49.5	49.3	Malaysia	Golf resort and hotel business
WorldCard Services Sdn Bhd	49.5	49.3	Malaysia	Provision of loyalty programme services
+ Xi'an Ascend Software Technology Co., Ltd	49.5	49.3	China	Research and development and provision of IT related services
# Advanced Technologies Ltd	49.5	49.3	Dominica	Dormant
# Big Apple Regional Center, LLC	49.5	49.3	US	Dormant
# Capital Casinos Group Limited	49.5	49.3	UK	Dormant
# Capital Corporation (Holdings) Limited	49.5	49.3	UK	Dormant
# Capital Corporation Limited	49.5	49.3	UK	Dormant
# Crockfords Investments Limited	49.5	49.3	Guernsey	Dormant
# Digital Tree LLC	49.5	49.3	US	Dormant
Genas Sdn Bhd	49.5	49.3	Malaysia	Dormant
Genawan Sdn Bhd	49.5	49.3	Malaysia	Dormant
Gentas Sdn Bhd	49.5	49.3	Malaysia	Dormant
Gentasa Sdn Bhd	49.5	49.3	Malaysia	Dormant



**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
# Genting Alderney Limited	<b>49.5</b>	49.3	Alderney, Channel Islands	Dormant
Genting ePay Services Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
Genting Ibico Holdings Limited	<b>49.5</b>	49.3	IOM	Dormant
# Genting Las Vegas LLC	<b>49.5</b>	49.3	US	Dormant
Gentinggi Quarry Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
# Genting Spain PLC	<b>49.5</b>	-	Malta	Dormant
+ Golden Site Limited	<b>49.5</b>	49.3	HK	Dormant
Ikhlas Tiasa Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
Jomara Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
Merriwa Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
# Ocean Front Acquisition, LLC	<b>49.5</b>	49.3	US	Dormant
# Palomino World (UK) Limited	<b>49.5</b>	49.3	UK	Dormant
Space Fair Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
# Stanley Leisure Group (Malta) Limited	<b>49.5</b>	49.3	Malta	Dormant
# Stanley Leisure (Ireland) Unlimited Company	<b>49.5</b>	49.3	Ireland	Dormant
Sweet Bonus Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
Twinkle Glow Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
Twinmatics Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
Vintage Action Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Dormant
+ Waters Solihull Limited	<b>49.5</b>	49.3	UK	Dormant
# Westcliff Casino Limited	<b>49.5</b>	49.3	UK	Dormant
# Genting Management Services LLC	<b>49.5</b>	49.3	US	Pre-operating
# GTA Holding, Inc	<b>49.5</b>	49.3	US and continued into British Columbia	Pre-operating
Genting Irama Sdn Bhd	<b>49.5</b>	49.3	Malaysia	Pending striking-off

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
# Cotedale Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# Crockfords Club Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# Cromwell Sporting Enterprises Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# Gameover Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# Harbour House Casino Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# The Colony Club Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# Tower Casino Group Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
# Westcliff (CG) Limited (In Member's Voluntary Liquidation)	<b>49.5</b>	49.3	UK	In liquidation
Annabel's Casino Limited	-	49.3	UK	Dissolved
Apollo Genting London Limited	-	24.8	UK	Dissolved
Baychain Limited	-	49.3	UK	Dissolved
Cascades Clubs Limited	-	49.3	UK	Dissolved
Castle Casino Limited	-	49.3	UK	Dissolved
CC Derby Limited	-	49.3	UK	Dissolved
Drawlink Limited	-	49.3	UK	Dissolved
Palm Beach Club Limited	-	49.3	UK	Dissolved
RWB Aviation Ltd	-	49.3	Bermuda	Dissolved
Stanley Online Limited	-	49.3	UK	Dissolved
Suzhou Ascend Technology Co., Limited	-	49.3	China	Dissolved
Tameview Properties Limited	-	49.3	UK	Dissolved
The Midland Wheel Club Limited	-	49.3	UK	Dissolved
Tower Clubs Management Limited	-	49.3	UK	Dissolved
Triangle Casino (Bristol) Limited	-	49.3	UK	Dissolved

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
<b>Subsidiaries of Genting Plantations:</b>				
# ACGT Intellectual Limited	<b>49.1</b>	49.2	British Virgin Islands (“BVI”)	Genomics research and development
ACGT Sdn Bhd	<b>49.1</b>	49.2	Malaysia	Genomics research and development and providing plant screening services
+ Asian Palm Oil Pte Ltd	<b>51.4</b>	51.6	Singapore	Investment holding
+ AsianIndo Agri Pte Ltd	<b>51.4</b>	51.6	Singapore	Investment holding
+ AsianIndo Holdings Pte Ltd	<b>51.4</b>	51.6	Singapore	Investment holding
+ AsianIndo Palm Oil Pte Ltd	<b>51.4</b>	51.6	Singapore	Investment holding
Asiaticom Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Oil palm plantation
# Azzon Limited	<b>51.4</b>	51.6	IOM	Investment holding
Benih Restu Berhad	<b>51.4</b>	51.6	Malaysia	Issuance of debt securities under Sukuk programme
+ Borneo Palma Mulia Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
+ Cahaya Agro Abadi Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
# Degan Limited	<b>49.1</b>	49.2	IOM	Investment holding
Esprit Icon Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Property development and property investment
# GBD Holdings Limited	<b>51.4</b>	51.6	Cayman	Investment holding
GENP Services Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Provision of management services
Genting AgTech Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Research and development and production of superior oil palm planting materials
Genting Awanpura Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Provision of technical and management services
Genting Biodiesel Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Manufacture and sale of biodiesel
Genting Biorefinery Sdn Bhd	<b>38.6</b>	38.7	Malaysia	Manufacture and sale of downstream palm oil derivatives
# Genting Bioscience Limited	<b>51.4</b>	51.6	IOM	Investment holding
Genting Biotech Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
Genting Indahpura Development Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Property development
Genting Land Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Property investment
Genting MusimMas Refinery Sdn Bhd	<b>37.0</b>	37.1	Malaysia	Refining and selling of palm oil products
Genting Oil Mill Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Processing of fresh fruit bunches
Genting Plantations (WM) Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Oil palm plantation
Genting Property Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Property development
Genting SDC Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Oil palm plantation and processing of fresh fruit bunches
Genting Tanjung Bahagia Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Oil palm plantation
+ Global Agri Investment Pte Ltd	<b>32.5</b>	32.6	Singapore	Investment holding
Global Bio-Diesel Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding
+ GlobalIndo Holdings Pte Ltd	<b>32.5</b>	32.6	Singapore	Investment holding
# GP Overseas Limited	<b>51.4</b>	51.6	IOM	Investment holding
GProperty Construction Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Provision of project management services
+ Kara Palm Oil Pte Ltd	<b>51.4</b>	51.6	Singapore	Investment holding
+ Ketapang Agri Holdings Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
+ Knowledge One Investment Pte Ltd	<b>51.4</b>	51.6	Singapore	Investment holding
Landworthy Sdn Bhd	<b>43.2</b>	43.3	Malaysia	Oil palm plantation
Mediglove Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding
Orbit Crescent Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding
+ Palm Capital Investment Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
+ Palma Citra Investama Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
Palma Ketara Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding
+ PalmIndo Holdings Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
PalmIndo Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	2017		
+ PT Agro Abadi Cemerlang	<b>36.0</b>	36.1	Indonesia	Oil palm plantation
+ PT Citra Sawit Cemerlang	<b>36.0</b>	36.1	Indonesia	Oil palm plantation
+ PT Dwie Warna Karya	<b>48.8</b>	49.0	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+ PT Genting Plantations Nusantara	<b>51.4</b>	51.6	Indonesia	Provision of management services
+ PT GlobalIndo Agung Lestari	<b>30.9</b>	31.0	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+ PT Kapuas Maju Jaya	<b>48.8</b>	49.0	Indonesia	Oil palm plantation
+ PT Kharisma Inti Usaha	<b>43.7</b>	43.8	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+ PT Palma Agro Lestari Jaya	<b>36.0</b>	36.1	Indonesia	Oil palm plantation
+ PT Sawit Mitra Abadi	<b>36.0</b>	36.1	Indonesia	Oil palm plantation
+ PT Sepanjang Intisurya Mulia	<b>36.0</b>	36.1	Indonesia	Oil palm plantation and processing of fresh fruit bunches
+ PT Surya Agro Palma	<b>36.0</b>	36.1	Indonesia	Oil palm plantation
+ PT Susantri Permai	<b>48.8</b>	49.0	Indonesia	Oil palm plantation
+ PT United Agro Indonesia	<b>30.9</b>	31.0	Indonesia	Oil palm plantation
+ Sandai Maju Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
+ Sanggau Holdings Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
Sawit Sukau Usahasama Sdn Bhd	<b>28.7</b>	28.8	Malaysia	Oil palm plantation
Setiamas Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Oil palm plantation and property development
SPC Biodiesel Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Manufacture and sale of biodiesel
+ Sri Nangatayap Pte Ltd	<b>37.9</b>	38.0	Singapore	Investment holding
Sunyield Success Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding
Technimode Enterprises Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Property investment

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
Trushidup Plantations Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Investment holding
+ Universal Agri Investment Pte Ltd	<b>32.5</b>	32.6	Singapore	Investment holding
Wawasan Land Progress Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Oil palm plantation
Aura Empire Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Cengkeh Emas Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Dianti Plantations Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Genting Commodities Trading Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Genting Vegetable Oils Refinery Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Glugor Development Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
# Grosmont Limited	<b>51.4</b>	51.6	IOM	Dormant
Hijauan Cergas Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Kenyalang Borneo Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Kinavest Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Larisan Prima Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Profile Rhythm Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Unique Upstream Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Zillionpoint Project Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
Zillionpoint Vision Sdn Bhd	<b>51.4</b>	51.6	Malaysia	Dormant
# ACGT Global Pte Ltd	<b>51.4</b>	51.6	Singapore	Pre-operating
# ACGT Singapore Pte Ltd	<b>51.4</b>	51.6	Singapore	Pre-operating
+ Full East Enterprise Limited	<b>51.4</b>	51.6	HK	Pre-operating
# Genting AgTech Singapore Pte Ltd	<b>51.4</b>	51.6	Singapore	Pre-operating
# GP Equities Pte Ltd	<b>51.4</b>	51.6	Singapore	Pre-operating
# Ketapang Holdings Pte Ltd	<b>37.9</b>	38.0	Singapore	Pre-operating
# Sri Kenyalang Pte Ltd	<b>51.4</b>	51.6	Singapore	Pre-operating

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	Effective Percentage of Ownership		Country of Incorporation	Principal Activities
	2018	2017		
<b>Subsidiaries of Genting Singapore:</b>				
# Acorn Co., Ltd	<b>52.7</b>	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
+ Adriana Limited	<b>52.7</b>	52.8	IOM	Sales coordinator for the leisure and hospitality related business
# Algona Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
# BayCity Co., Ltd	<b>52.7</b>	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
# BlueBell Co., Ltd	<b>52.7</b>	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
+ Bradden Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
+ Calidone Limited	<b>52.7</b>	52.8	IOM	Investment holding and sales co-ordinator for the leisure and hospitality related business
# Dynamic Sales Investments Limited	<b>52.7</b>	52.8	BVI	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
+ Genting Integrated Resorts Management Pte Ltd	<b>52.7</b>	52.8	Singapore	Provision of management and operations services for integrated resort
+ Genting Integrated Resorts Operations Management Pte Ltd	<b>52.7</b>	52.8	Singapore	Provision of resort management and consultancy services
+ Genting Integrated Resorts (Singapore) II Pte Ltd	<b>52.7</b>	52.8	Singapore	Provision of management and operations services for integrated resort
+ Genting Integrated Resorts (Singapore) III Pte Ltd	<b>52.7</b>	52.8	Singapore	Provision of management and operations services for integrated resort
+ Genting International Gaming & Resort Technologies Pte Ltd	<b>52.7</b>	52.8	Singapore	Providing information technology services relating to the gaming and resort industry
+ Genting International Japan Co., Ltd	<b>52.7</b>	52.8	Japan	Marketing and promotion of resort destinations
+ Genting International Management Limited	<b>52.7</b>	52.8	IOM	Investment holding and ownership of intellectual property rights
+ Genting International Resorts Management Limited	<b>52.7</b>	52.8	IOM	Investment holding
Genting International Sdn Bhd	<b>52.7</b>	52.8	Malaysia	Provision of management services
+ Genting International Services (HK) Limited	<b>52.7</b>	52.8	HK	Sales co-ordinator for leisure & hospitality related business
+ Genting International Services Singapore Pte Ltd	<b>52.7</b>	52.8	Singapore	Provision of international sales and marketing services and corporate services
* Genting International Services (Thailand) Limited	<b>48.0</b>	48.0	Thailand	Carrying on the activities of marketing, public relations and promoting the business relating to the leisure and hospitality sector, excluding direct sales to customers



**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
# Genting International (Singapore) Pte Ltd	<b>52.7</b>	52.8	Singapore	Tour promotion
# Genting Japan Co., Ltd	<b>52.7</b>	-	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investment and management of real estate and trust beneficiary interests
# Genting Osaka Co., Ltd	<b>52.7</b>	-	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investment and management of real estate and trust beneficiary interests
# Genting Singapore Aviation	<b>52.7</b>	52.8	Cayman	Purchasing, owning and operating of aircrafts for passenger air transportation
# Genting Tokyo Co., Ltd	<b>52.7</b>	-	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investment and management of real estate and trust beneficiary interests
# Genting Yokohama Co., Ltd	<b>52.7</b>	-	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investment and management of real estate and trust beneficiary interests

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
# Grand Knight International Limited	<b>52.7</b>	52.8	BVI	Investment holding
# Greenfield Resources Capital Limited	<b>52.7</b>	52.8	BVI	Investment holding
+ GSHK Capital Limited	<b>52.7</b>	52.8	HK	Provision of marketing coordination and promotion services for resorts, hotels and other facilities owned by related companies
+ Landsdale Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
+ Legold Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
# MoonLake Co., Ltd	<b>52.7</b>	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
* North Spring Capital Blue LLC	<b>52.7</b>	52.8	Mongolia	Real estate activities and management consulting
* North Spring Capital Mongolia LLC	<b>52.7</b>	52.8	Mongolia	Buying, leasing, selling, renting immovable properties, foreign trading activities and business consulting
# Northspring Capital Ltd	<b>52.7</b>	52.8	BVI	Investment holding
# Phoenix Express Limited	<b>52.7</b>	52.8	BVI	Investment holding and sales co-ordinator for the leisure and hospitality related business
+ PineGlory Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
# Poppleton Limited	<b>52.7</b>	52.8	BVI	Investment holding
+ Prestelle Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
+ Prospero Global Holding Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

		Effective Percentage of Ownership		Country of Incorporation	Principal Activities
		2018	2017		
+	Resorts World at Sentosa Pte Ltd	<b>52.7</b>	52.8	Singapore	Construction, development & operation of an integrated resort
	Resorts World at Sentosa Sdn Bhd	<b>52.7</b>	52.8	Malaysia	Hotel, resort and leisure related activities
#	Resorts World Japan Co., Ltd	<b>52.7</b>	52.8	Japan	Investment holding; Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
#	Resorts World Osaka Co., Ltd	<b>52.7</b>	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
+	Resorts World Properties Pte Ltd	<b>52.7</b>	52.8	Singapore	Investment holding
+	Resorts World Properties II Pte Ltd	<b>52.7</b>	52.8	Singapore	Constructing and operating a fish farm
#	Resorts World Tokyo Co., Ltd	<b>52.7</b>	52.8	Japan	Investment holding; Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

		Effective Percentage of Ownership		Country of Incorporation	Principal Activities
		2018	2017		
#	Resorts World Yokohama Co., Ltd	52.7	-	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
+	Star Eagle Holdings Limited	52.7	52.8	BVI	Investment holding
#	StarLight Co., Ltd	52.7	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
#	SunLake Co., Ltd	52.7	52.8	Japan	Development and management of integrated resort and leisure destinations; Marketing and promotion of integrated resort and leisure destinations; Investments and management of real estate and trust beneficiary interests
+	Tamerton Pte Ltd	52.7	52.8	Singapore	Hotel developer and owner
#	Trevena Limited	52.7	52.8	BVI	Investment holding
	Bestlink Global International Limited	-	52.8	BVI	Struck-off
	Genting Integrated Resorts (Singapore) Pte Ltd	-	52.8	Singapore	Struck-off
	Genting International Management Services Pte Ltd	-	52.8	Singapore	Struck-off
	Northspring International Ltd	-	52.8	BVI	Struck-off
	Northspring Management Ltd	-	52.8	BVI	Struck-off

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
Prospero Development Limited	-	52.8	BVI	Struck-off
Genting Singapore Aviation III Ltd	-	52.8	Bermuda	Dissolved
Genting International Corp.	-	52.8	US	Liquidated and Dissolved
<b>Joint Ventures</b>				
<b>Joint ventures of the Company:</b>				
* Elevance Renewable Sciences, Inc	<b>47.8<sup>^</sup></b>	16.6	US	Producer of high performance ingredients for use in personal care products, detergents, lubricants and other specialty chemicals and fuel markets from natural oils
E-Genting Sdn Bhd	<b>50.0</b>	50.0	Malaysia	Research in software development, provision of information technology and consultancy services
+ FreeStyle Gaming Limited	<b>50.0</b>	50.0	HK	Provision of interactive and gaming software solutions including intranet solutions
+ FreeStyle Gaming Pte Ltd	<b>50.0</b>	50.0	Singapore	Provision of interactive gaming solutions including intranet gaming solutions
* Fujian Pacific Electric Company Ltd	<b>49.0</b>	49.0	China	Generation and supply of electric power
# Genting U.S. Interactive Gaming Inc	<b>50.0</b>	50.0	US	Investment holding
+ Resorts World Inc Pte Ltd	<b>50.0</b>	50.0	Singapore	Investment holding
# RW Services Inc	<b>50.0</b>	50.0	US	Provision of technical and consulting services and programme management
+ RW Services Pte Ltd	<b>50.0</b>	50.0	Singapore	Provision of technical and consulting services and programme management and licensing of intellectual property and provision of related services



**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

	<b>Effective Percentage of Ownership</b>		<b>Country of Incorporation</b>	<b>Principal Activities</b>
	<b>2018</b>	<b>2017</b>		
<b>Associates</b>				
<b>Associates of the Company:</b>				
* Applied Proteomics, Inc	-##	18.6	US	Under general assignment for the benefit of creditors
# CorTechs Labs, Inc	<b>23.4</b>	23.7	US	Develop and market medical device software and web-based teleradiology applications and services
* Lanco Tanjore Power Company Limited	<b>41.6</b>	41.6	India	Generation and supply of electric power
# MultiModal Imaging Services Corporation	<b>22.8</b>	22.8	US	Analysis of multimodal imaging
* Nova Satra Dx Pte Ltd	<b>33.4</b>	33.4	Singapore	Manufacture of medical research and clinical diagnostic instruments and supplies
* TauRx Pharmaceuticals Ltd	<b>20.6</b>	20.6	Singapore	Development of novel treatments and diagnostics for Alzheimer's disease and other neurodegenerative diseases
<b>Associates of Genting Plantations:</b>				
* Serian Palm Oil Mill Sdn Bhd	<b>18.0</b>	20.6	Malaysia	Processing of fresh fruit bunches
Setiacahaya Sdn Bhd <sup>®</sup>	<b>25.7</b>	25.8	Malaysia	Property investment
* Sri Gading Land Sdn Bhd	<b>25.2</b>	25.3	Malaysia	Property development
Asiatic Ceramics Sdn Bhd (In Liquidation)	<b>25.2</b>	25.3	Malaysia	In liquidation

**SUBSIDIARIES, JOINT VENTURES AND ASSOCIATES (Cont'd)**

- \* The financial statements of these companies are audited by firms other than the auditors of the Company.
- + The financial statements of these companies are audited by member firms of PricewaterhouseCoopers International Limited which are separate and independent legal entities from PricewaterhouseCoopers PLT, Malaysia.
- # These entities are either exempted or have no statutory audit requirement.
- @ This entity is a subsidiary of the Company with an effective percentage of ownership of 75.8%. It is held by the Company as a direct subsidiary and Genting Plantations as an associate with the effective percentage of ownership of 50.0% and 25.8% respectively.
- ~ Dissolved on 23 January 2019.
- ## No longer an associate company.
- ^^ Transferred its registration from the Isle of Man to Singapore on 1 June 2018.
- ^ Became a joint venture during 2018.

**50. APPROVAL OF FINANCIAL STATEMENTS**

The financial statements have been approved for issue in accordance with a resolution of the Board of Directors on 27 February 2019.



Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)

**STATEMENT ON DIRECTORS' RESPONSIBILITY PURSUANT TO PARAGRAPH 15.26(a) OF THE LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

As required under the Companies Act 2016 ("Act") in Malaysia, the Directors of Genting Berhad have made a statement expressing an opinion on the financial statements. The Board is of the opinion that the financial statements have been drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018 and of the financial performance of the Group and of the Company for the financial year ended on that date in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and comply with the requirements of the Act.

In the process of preparing these financial statements, the Directors have reviewed the accounting policies and practices to ensure that they were consistently applied throughout the financial year. In cases where judgement and estimates were made, they were based on reasonableness and prudence.

Additionally, the Directors have relied on the systems of risk management and internal control to ensure that the information generated for the preparation of the financial statements from the underlying accounting records is accurate and reliable.

This statement is made in accordance with a resolution of the Board dated 27 February 2019.

**STATUTORY DECLARATION PURSUANT TO SECTION 251(1)(B) OF THE COMPANIES ACT 2016**

I, **WONG YEE FUN (MIA 12108)**, the Officer primarily responsible for the financial management of **GENTING BERHAD**, do solemnly and sincerely declare that the financial statements set out on pages 15 to 199 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed )  
**WONG YEE FUN** at KUALA LUMPUR in the State )  
of FEDERAL TERRITORY on 27 February 2019 )



Before me,



Lot 333, 3rd Floor, Wisma MPL,  
Jalan Raja Chulan,  
Kuala Lumpur.  
**TAN SEOK KETT**  
Commissioner for Oaths  
Kuala Lumpur



INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD  
(Incorporated in Malaysia)  
(Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion, the financial statements of Genting Berhad (“the Company”) and its subsidiaries (“the Group”) give a true and fair view of the financial position of the Group and of the Company as at 31 December 2018, and of their financial performance and their cash flows for the financial year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

What we have audited

We have audited the financial statements of the Group and of the Company, which comprise the statements of financial position as at 31 December 2018 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 15 to 199.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the “Auditors’ responsibilities for the audit of the financial statements” section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants (“By-Laws”) and the International Ethics Standards Board for Accountants’ Code of Ethics for Professional Accountants (“IESBA Code”), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

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**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)**  
(Incorporated in Malaysia)  
(Company No. 7916-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Our audit approach

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements of Group and the Company. In particular, we considered where the Directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group and of the Company, the accounting processes and controls, and the industry in which the Group and the Company operate.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current financial year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment assessment of exploration and development costs in Indonesia</b></p> <p>As at 31 December 2018, the Group's carrying amount of exploration and development costs and goodwill arising from the Kasuri block operation in Indonesia amounted to RM2,962.1 million and RM121.1 million, respectively.</p> <p>The exploration and development costs and the goodwill are allocated to two cash generating units ("CGU") – Asap, Merah and Kido ("AMK") fields and other fields ("Others").</p>	<p>We performed the following audit procedures for each of the CGU:</p> <p>(i) AMK</p> <ul style="list-style-type: none"> <li>• Agreed the cash flows used in the value in use ("VIU") calculation to the cash flow forecast for impairment assessment approved by the Board.</li> <li>• Compared the gas price and price escalation to available data and externally available benchmarks.</li> <li>• Checked the reasonableness of the discount rate with assistance from our valuation experts by benchmarking to the similar oil and gas companies and recalculating the discount rates independently.</li> <li>• Agreed the reserve volume to the reserve estimates prepared by independent oil and gas reserve experts.</li> </ul>



INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
 (Incorporated in Malaysia)  
 (Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment assessment of exploration and development costs in Indonesia (continued)</b></p> <p>We focused on this area due to the quantum of the carrying amount of the exploration and development costs and goodwill, which represented 5.2% of the Group's total non-current assets and the significant assumptions used by management in their impairment assessment on the recoverability of exploration and development costs specifically the gas price and price escalation, discount rate and gas reserves for the AMK CGU and significant judgement on existence of impairment indicators for the Others CGU.</p> <p>Refer to Notes 2(a), 20 and 21 to the financial statements.</p>	<p>We performed the following audit procedures for each of the CGU: (continued)</p> <p>(i) AMK (continued)</p> <ul style="list-style-type: none"> <li>• Assessed the competency and objectivity of the independent oil and gas reserve experts who computed the gas reserve estimates by considering their professional qualifications and experience.</li> <li>• Checked the sensitivity analysis performed by management on the discount rate and gas price assumption to determine whether reasonable changes on these key assumptions would result in the carrying amounts of the CGU to exceed its recoverable amount.</li> </ul> <p>(ii) Others</p> <ul style="list-style-type: none"> <li>• Checked that the right to explore does not expire in the near future.</li> <li>• Agreed management's assessment to the gas reserve estimates prepared by independent oil and gas reserve experts.</li> <li>• Assessed the competency and objectivity of the independent oil and gas reserve experts who computed the gas reserve estimates by considering their professional qualifications and experience.</li> <li>• Discussed with management the planned activities for this CGU and compared that to budgeted capital expenditures for this CGU.</li> </ul> <p>Based on the procedures performed above, we did not find any material exceptions to the assumptions made by the Directors.</p>



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)**  
(Incorporated in Malaysia)  
(Company No. 7916-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Key audit matters (continued)

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><b>Material litigation involving FOX and The Walt Disney Company</b></p> <p>On 26 November 2018, the Group filed a complaint in the United States District Court for the Central District of California against Fox Entertainment Group, LLC, Twentieth Century Fox Film Corporation, Twenty-First Century Fox, Inc., FoxNext, LLC (collectively, "FOX") and The Walt Disney Company ("Disney") (hereinafter referred to as "Defendants") in connection with the planned Fox-branded theme park at Resorts World Genting.</p> <p>On 22 January 2019, FOX also filed counterclaims against the Group in which it alleged that the Group owes FOX approximately USD46.4 million (equivalent to approximately RM191.7 million) in termination fees plus interest, as well as consequential damages, reasonable costs and other relief under applicable law (the "Counterclaims").</p> <p>We focused on this area as the uncertainty of the outcome of the litigations indicate potential impairment of the property, plant and equipment with carrying amount of RM2,590.9 million as at 31 December 2018 and potential liability arising from the Counterclaims by FOX.</p>	<p>We performed the following procedures to test management's assessment of the recoverability of the property, plant and equipment and Counterclaims by FOX:</p> <ul style="list-style-type: none"> <li>• Obtained and read the court papers filed by the Group and Counterclaims filed by FOX and discussed with management and external legal counsel on the litigation and the Counterclaims by FOX;</li> <li>• Assessed the reasonableness of the long term growth rate and number of visitors used by management in the approved cash flow projections by comparing to industry trends;</li> <li>• Checked the discount rate used by comparing the rate to comparable industry and market information;</li> <li>• Checked management's sensitivity analysis on the long term growth rate, number of visitors, growth in number of visitors and discount rate to determine whether any reasonable changes on these key assumptions would result in the carrying amount to exceed the recoverable amount;</li> <li>• Evaluated the competency and objectivity of external legal counsel, where applicable, as required under International Standards on Auditing; and</li> <li>• Checked the appropriateness of the disclosures on a reasonable possible change in the key assumptions and the corresponding effect on the recoverable amount and contingent liability in the financial statements.</li> </ul> <p>Based on the above procedures performed, we noted the result of management's assessment to be consistent with the outcome of our procedures.</p>



INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
 (Incorporated in Malaysia)  
 (Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>Material litigation involving FOX and The Walt Disney Company (continued)</b></p> <p>The Directors make judgements on the assessment of the recoverability of the property, plant and equipment and the Counterclaims by FOX given the related subjectivity and uncertainty of the outcome of the litigation. Based on management's assessment, there is no impairment loss on the property, plant and equipment and the obligation to pay the Counterclaims by FOX is neither remote nor probable.</p> <p>Refer to Notes 2(a), 16 and 46 to the financial statements.</p>	
<p><b>Impairment assessment of property, plant and equipment and casino licences related to the Group's leisure and hospitality segment in Bahamas</b></p> <p>The Group has property, plant and equipment and casino licences (definite life) related to its Bahamas operations with aggregate carrying values of RM1,403.1 million as at 31 December 2018.</p> <p>We focused on this area due to continued losses recorded since the commencement of the Bahamas operations in 2013 which is an impairment indicator.</p> <p>The impairment assessment performed by management based on value in use method involved significant estimates towards future results of the business, in particular, the key assumptions on growth rate and discount rates used in the future cash flow forecasts.</p> <p>Refer to Notes 16 and 20 to the financial statements.</p>	<p>With respect to the reliability of management's use of key assumptions in the cash flow projections to determine the value in use calculations, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessed the growth rate used by management by comparing to current industry trends.</li> <li>• Checked the discount rates used by comparing the rate used to comparable industry and market information.</li> <li>• Independently performed sensitivity analysis on the growth rate and discount rates to corroborate that any reasonable changes on these key assumptions would not give rise to an impairment loss.</li> </ul> <p>Based on the above procedures performed, we noted the results of management's impairment assessment to be consistent with the outcome of our procedures.</p>



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)**  
(Incorporated in Malaysia)  
(Company No. 7916-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Key audit matters (continued)

<b>Key audit matters</b>	<b>How our audit addressed the key audit matters</b>
<p><b>Impairment of investment in unquoted promissory notes issued by Mashpee Wampanoag Tribe</b></p> <p>As at 31 December 2018, the Group's investment in unquoted promissory notes issued by Mashpee Wampanoag Tribe ("Tribe") have been fully impaired and an impairment loss of RM1,834.3 million has been recognised during the financial year.</p> <p>We focused on this area because the recoverability of the promissory notes is dependent on the following:</p> <p>(a) outcome of the pending legal case and/or review by the relevant government authorities allowing the Tribe to have land in trust for a destination resort casino development; and</p> <p>(b) ability of the Tribe to repay the promissory notes from the cash flows of the destination resort casino when it is operational.</p> <p>Based on the assessment performed by management, the promissory notes have been assessed to be credit-impaired due to the uncertainty of recovery following the US Federal Government's decision in September 2018 concluding that the Tribe did not satisfy the conditions under the Indian Reorganisation Act that allow the Tribe to have the land in trust for an integrated gaming resort development.</p> <p>Refer to Notes 2(a) and 28 to the financial statements.</p>	<p>We performed the following procedures to check management's assessment of the recoverability of promissory notes:</p> <ul style="list-style-type: none"> <li>• Discussed with the Group's internal legal counsel responsible for US operations to understand the status and development of the pending legal case and review by the relevant government authorities on the Tribe's rights to retain land in trust for a destination resort casino development.</li> <li>• Evaluated the competency and objectivity of management's external legal expert.</li> <li>• Discussed with management and management's external legal expert on their views relating to the development of pending legal case and the US Federal Government's decision on Tribe's rights to retain land in trust and viability of options under review by the Tribe.</li> <li>• Evaluated the basis used by management in concluding that the promissory notes is credit-impaired and the assumptions used in the determining the recoverable amount.</li> </ul> <p>Based on the above procedures performed, we found management's assessment on the recoverability of the promissory notes to be consistent with the facts and circumstances available at year end.</p>



INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
 (Incorporated in Malaysia)  
 (Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>Impairment assessment of intangible assets (including goodwill) with indefinite useful lives relating to the Group's United Kingdom operations</b></p> <p>The aggregate carrying value of the Group's intangible assets with indefinite useful lives which included goodwill, casino licences and trademarks in relation to its United Kingdom ("UK") operations amounted to RM2,227.4 million as at 31 December 2018.</p> <p>We focused on this area due to the magnitude of the carrying value of these UK intangible assets (including goodwill) with indefinite useful lives as they comprised 39.2% of the total intangible assets of the Group.</p> <p>The impairment assessment performed by management involved significant degree of judgements and assumptions on growth rate and discount rate used.</p> <p>Arising from the impairment assessment, no impairment loss was recorded for intangible assets with indefinite lives in the current financial year.</p> <p>Refer to Notes 2(a) and 20 to the financial statements.</p>	<p>With respect to the appropriateness of the key assumptions used in the value in use calculations, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Assessed management's basis for the value in use cash flows by reference to the approved 2019 budget.</li> <li>• Checked that the growth rate did not exceed the growth rates for the leisure and hospitality industry in which the CGUs operate and are consistent with the forecasts included in industry reports.</li> <li>• Checked the discount rate used by comparing the rate used to comparable industries and market information in UK.</li> <li>• Checked sensitivity analysis performed by management on the growth rate and discount rate to determine whether reasonable changes on these key assumptions would result in the carrying amounts of individual CGUs to exceed their recoverable amounts.</li> </ul> <p>In testing the recoverable amount based on fair value less cost to sell, we performed the following procedures:</p> <ul style="list-style-type: none"> <li>• Evaluated the objectivity and competency of the external valuer.</li> <li>• Evaluated the methodology and key assumptions used by an independent external valuer in the valuation based on our knowledge of the industry and checked the comparability of the input data used to current industry data.</li> </ul> <p>Based on the above procedures performed, we noted the results of management's impairment assessment to be consistent with the outcome of our procedures.</p>





INDEPENDENT AUDITORS' REPORT  
 TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
 (Incorporated in Malaysia)  
 (Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Key audit matters (continued)

Key audit matters	How our audit addressed the key audit matters
<p><b>Tax incentives granted for the Genting Integrated Tourism Plan</b></p> <p>In December 2017, the Ministry of Finance (“MOF”) made a decision to amend the customised incentive under the East Coast Economic Region which entitled the Group to claim for income tax exemption equivalent to 100% of the qualifying capital expenditure incurred for a period of 10 years (“2014 Tax Incentive Approval”).</p> <p>The Group filed an application for judicial review of the decision by MOF in December 2018. On 24 January 2019, the High Court granted the Group’s application for leave to commence judicial review of the decision by MOF and a stay of the decision by MOF pending disposal of the judicial review application before the High Court (“Stay Order”).</p> <p>For the financial year ended 31 December 2018, the Group has estimated the tax liability for year of assessment 2018 (“YA2018”) of RM122 million in accordance with the basis of utilisation as per the 2014 Tax Incentive Approval based on the Stay Order granted by the High Court and legal view obtained from the external legal counsel in respect of the probability of outcome of the judicial review.</p> <p>We focused on this area due to judgement involved in estimating the tax liability for YA2018.</p> <p>Refer to Note 2(a) and 47(c) to the financial statements.</p>	<p>We performed the following procedures to evaluate management’s estimation of the tax liability for YA2018:</p> <ul style="list-style-type: none"> <li>• Discussed with management and management’s external legal counsel regarding the basis for the judicial review and the probability of outcome of the judicial review to support the position taken to arrive at the estimated tax liability for YA2018.</li> <li>• Obtained independent legal confirmation and assessed the objectivity and competency of management’s expert.</li> <li>• Use of our tax experts to review management’s basis for tax estimation and review the advice obtained from the independent legal counsel.</li> </ul> <p>Based on the above procedures performed, we did not find any material exceptions to the Directors’ judgement in the assessment of the tax liability for YA2018.</p>

We have determined that there are no key audit matters to communicate in our report which arose from the audit of the financial statements of the Company.



**INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)**  
(Incorporated in Malaysia)  
(Company No. 7916-A)

**REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)**

Information other than the financial statements and auditors' report thereon

The Directors of the Company are responsible for the other information. The other information comprises the Directors' Report, Statement of Risk Management and Internal Control, Corporate Governance Statement, Audit and Risk Management Committee Report, Management's Discussion and Analysis of Business Operations and Financial Performance, Sustainability Statement and other sections of the 2018 Annual Report, but does not include the financial statements of the Group and of the Company and our auditor's report thereon.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the financial statements

The Directors of the Company are responsible for the preparation of the financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is necessary to enable the preparation of financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the Directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.



INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
(Incorporated in Malaysia)  
(Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- (a) Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- (b) Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- (d) Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.



INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
(Incorporated in Malaysia)  
(Company No. 7916-A)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONTINUED)

Auditors' responsibilities for the audit of the financial statements (continued)

- (e) Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- (f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current financial year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 2016 in Malaysia, we report that the subsidiaries of which we have not acted as auditors, are disclosed in Note 49 to the financial statements.



INDEPENDENT AUDITORS' REPORT  
TO THE MEMBERS OF GENTING BERHAD (CONTINUED)  
(Incorporated in Malaysia)  
(Company No. 7916-A)

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

PRICEWATERHOUSECOOPERS PLT  
LLP0014401-LCA & AF 1146  
Chartered Accountants

PAULINE HO  
02684/11/2019 J  
Chartered Accountant

Kuala Lumpur  
27 February 2019

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD**  
(Company No: 7916-A)  
(Incorporated and domiciled in Malaysia)  
(A public limited liability company listed on the  
Main Market of Bursa Malaysia Securities Berhad)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**  
(In Ringgit Malaysia)

**Registered & Corporate Head Office**  
24<sup>th</sup> Floor, Wisma Genting  
Jalan Sultan Ismail  
50250 Kuala Lumpur

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD**  
(Incorporated in Malaysia)

**REPORTS AND FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

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Genting Berhad (Company No: 7916-A)

**GENTING BERHAD**

*(Incorporated in Malaysia under Company No. 7916-A)*

**DIRECTORS' REPORT AND STATEMENT PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

The Directors of **GENTING BERHAD** have pleasure in submitting their report together with this statement pursuant to Section 251(2) of the Companies Act 2016 therein and the audited financial statements of the Group and of the Company for the financial year ended 31 December 2017.

**PRINCIPAL ACTIVITIES**

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resorts, plantation, generation and supply of electric power, property development and management, tours and travel related services, investments, life sciences and biotechnology activities and oil and gas exploration, development and production activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 45 to the financial statements.

There have been no other significant changes in the nature of the activities of the Group and of the Company during the financial year.

**FINANCIAL RESULTS**

	<b>Group RM Million</b>	<b>Company RM Million</b>
Profit before taxation	4,312.2	734.2
Taxation	<u>(1,069.4)</u>	<u>(138.5)</u>
Profit for the financial year	<u>3,242.8</u>	<u>595.7</u>

**CONSOLIDATION OF SUBSIDIARY WITH DIFFERENT FINANCIAL YEAR END**

The Companies Commission of Malaysia ("CCM") had on 15 January 2018 granted an order pursuant to Section 247 of the Companies Act 2016 approving the application by the Company to allow Resorts World Travel Services Private Limited (incorporated in India), a wholly owned subsidiary of Resorts World Tours Sdn Bhd, which in turn is a wholly owned subsidiary of Genting Malaysia Berhad, a company which is 49.4% owned by the Company to adopt a financial year end which does not coincide with that of the Company in relation to the financial year ending 31 March 2018, subject to the following conditions:

- (i) The Company is required to report this approval in its Directors' Report; and
- (ii) The Company is to ensure compliance with Sections 252 and 253 of the Companies Act 2016 and Approved Accounting Standards pertaining to the preparation of Consolidated Accounts.



Genting Berhad (Company No: 7916-A)

## **TREASURY SHARES**

The shareholders of the Company had granted a mandate to the Company to purchase its own shares at the Annual General Meeting of the Company held on 1 June 2017.

As at 31 December 2017, the total number of shares purchased was 26,320,000 and held as treasury shares in accordance with the provisions of Section 127(4) of the Companies Act 2016.

## **DIVIDENDS**

Dividends paid by the Company since the end of the previous financial year were:

- (i) A special single-tier dividend of 6.5 sen per ordinary share amounting to RM242.0 million in respect of the financial year ended 31 December 2016 was paid by the Company on 30 March 2017;
- (ii) A final single-tier dividend of 6.0 sen per ordinary share amounting to RM226.6 million in respect of the financial year ended 31 December 2016 was paid by the Company on 23 June 2017; and
- (iii) An interim single single-tier dividend of 8.5 sen per ordinary share amounting to RM324.3 million in respect of the financial year ended 31 December 2017 was paid by the Company on 6 October 2017.

A special single-tier dividend of 7.0 sen per ordinary share in respect of the financial year ended 31 December 2017 has been declared for payment on 3 April 2018 to shareholders registered in the Register of Members on 14 March 2018. Based on the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2017, the special dividend would amount to RM267.8 million.

The Directors recommend payment of a final single-tier dividend of 6.0 sen per ordinary share in respect of the financial year ended 31 December 2017 to be paid to shareholders registered in the Register of Members on a date to be determined later by the Directors. Based on the total number of issued shares (excluding treasury shares) of the Company as at 31 December 2017, the final dividend would amount to RM229.5 million.

## **RESERVES AND PROVISIONS**

There were no other material transfers to or from reserves or provisions during the financial year other than as disclosed in Notes 30, 35 and 38 to the financial statements.

## **ISSUE OF SHARES AND DEBENTURES**

During the financial year, 101,761,099 new ordinary shares were issued by virtue of the exercise of 101,761,099 warrants to subscribe for 101,761,099 ordinary shares in the share capital of the Company at an exercise price of RM7.96 per ordinary share pursuant to the non-renounceable restricted issue of 764,201,920 new warrants in the Company ("Warrants 2013/2018").

All the above mentioned ordinary shares rank pari passu with the then existing ordinary shares of the Company.

There were no issue of debentures during the financial year.

Genting Berhad (Company No: 7916-A)

## **SHARE OPTIONS**

No options have been granted by the Company to any parties during the financial year to take up unissued shares of the Company.

No shares have been issued during the financial year by virtue of the exercise of any option to take up unissued shares of the Company. As at the end of the financial year, there were no unissued shares of the Company under options.

## **WARRANTS 2013/2018**

The Warrants 2013/2018 are listed on the Main Market of Bursa Malaysia Securities Berhad with effect from 23 December 2013.

Each Warrant carries the right to subscribe for 1 new ordinary share in the Company at any time from 19 December 2013 up to the expiry date on 18 December 2018, at an exercise price of RM7.96 for each new share. Any warrant not exercised by the expiry of the exercise period will lapse and cease to be valid for all purposes. The Warrants 2013/2018 are constituted by a Deed Poll dated 12 November 2013.

The ordinary shares issued from the exercise of Warrants 2013/2018 shall rank pari passu in all respects with the existing issued ordinary shares of the Company except that they shall not be entitled to any dividends, rights, allotments and/or other distributions, the entitlement date of which is prior to the date of allotment of the new shares arising from the exercise of Warrants 2013/2018.

At the end of the financial year, there were 631,904,467 outstanding warrants of the Company.

## **DIRECTORATE**

The Directors in office during the financial year and during the period from the end of the financial year to the date of this report are:

Tan Sri Lim Kok Thay  
Tun Mohammed Hanif bin Omar\*  
Mr Lim Keong Hui  
Dato' Dr. R. Thillainathan\*  
Tan Sri Dr. Lin See Yan\*  
Datuk Chin Kwai Yoong  
Tan Sri Foong Cheng Yuen\*  
Madam Koid Swee Lian (Appointed on 23 November 2017)

\* *Tun Mohammed Hanif bin Omar, Dato' Dr. R. Thillainathan, Tan Sri Dr. Lin See Yan and Tan Sri Foong Cheng Yuen retired as Directors of the Company at the conclusion of the Company's 49<sup>th</sup> Annual General Meeting held on 1 June 2017 in accordance with Section 129 of the Companies Act 1965. On the same day, they were appointed as Directors of the Company pursuant to a resolution of the Board of Directors of the Company dated 1 June 2017.*

Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

According to the Register of Directors' Shareholdings, the following persons who were Directors of the Company at the end of the financial year have interests in shares and/or performance shares and/or warrants of the Company, Genting Malaysia Berhad, a company which is 49.3% owned by the Company as at 31 December 2017, Genting Plantations Berhad and Genting Singapore PLC, both of which are subsidiaries of the Company, as set out below:

**Interest in the Company**

	1.1.2017	Acquired	Disposed	31.12.2017
	(Number of ordinary shares)			
<b>Shareholdings in which the Directors have direct interests</b>				
Tan Sri Lim Kok Thay	68,119,980	-	-	68,119,980
Tun Mohammed Hanif bin Omar	206,000	-	-	206,000
Dato' Dr. R. Thillainathan	20,000	-	-	20,000
Tan Sri Foong Cheng Yuen	-	10,000	-	10,000

**Shareholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	-	1,630,411,110 <sup>(a)</sup>	-	1,630,411,110 <sup>(a)</sup>
Mr Lim Keong Hui	-	1,630,411,110 <sup>(a)</sup>	-	1,630,411,110 <sup>(a)</sup>

**Interest of Spouse/Child of the Director**

Dato' Dr. R. Thillainathan	623,000	-	-	623,000
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	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
	(Number of warrants 2013/2018)			
<b>Warrantholdings in which the Directors have direct interests</b>				
Tan Sri Lim Kok Thay	17,029,995	-	-	17,029,995
Tun Mohammed Hanif bin Omar	76,500	-	-	76,500
Dato' Dr. R. Thillainathan	5,000	-	-	5,000

**Interest of Spouse/Child of the Director**

Dato' Dr. R. Thillainathan	155,750	-	17,000	138,750
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Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

**Interest in the Company (Cont'd)**

	1.1.2017	Acquired	Disposed	31.12.2017
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(Number of ordinary shares)

**Warrantholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	-	407,602,777 <sup>(a)</sup>	-	407,602,777 <sup>(a)</sup>
Mr Lim Keong Hui	-	407,602,777 <sup>(a)</sup>	-	407,602,777 <sup>(a)</sup>

**Interest in Genting Malaysia Berhad ("Genting Malaysia")**

	1.1.2017	Acquired	Disposed	31.12.2017
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(Number of ordinary shares)

**Shareholdings in which the Directors have direct interests**

Tan Sri Lim Kok Thay	4,349,800	3,778,100	-	8,127,900
Tun Mohammed Hanif bin Omar	786,100	117,100	200,000	703,200
Mr Lim Keong Hui	61,200	125,600	-	186,800
Tan Sri Dr. Lin See Yan	450,000	-	-	450,000

**Shareholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	-	2,796,992,189 <sup>(b)</sup>	-	2,796,992,189 <sup>(b)</sup>
Mr Lim Keong Hui	-	2,796,992,189 <sup>(b)</sup>	-	2,796,992,189 <sup>(b)</sup>

	1.1.2017	Granted on 16.3.2017	Vested on 16.3.2017	31.12.2017
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(Number of ordinary shares)

**Long Term Incentive Plan shares in the names of Directors**

**Restricted Share Plan**

Tan Sri Lim Kok Thay	3,709,200 <sup>(e)</sup>	494,225 <sup>(e)</sup>	-	4,203,425 <sup>(e)</sup>
Tun Mohammed Hanif bin Omar	115,000 <sup>(e)</sup>	56,800 <sup>(e)</sup>	-	171,800 <sup>(e)</sup>
Mr Lim Keong Hui	123,400 <sup>(e)</sup>	60,000 <sup>(e)</sup>	-	183,400 <sup>(e)</sup>

Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

**Interest in Genting Malaysia (Cont'd)**

	1.1.2017	Granted on 16.3.2017	Vested on 16.3.2017	31.12.2017
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(Number of ordinary shares)

**Long Term Incentive Plan shares  
in the names of Directors (cont'd)**

**Performance Share Plan**

Tan Sri Lim Kok Thay	9,524,748 <sup>(e)</sup>	1,467,339 <sup>(e)</sup>	3,778,100	7,213,987 <sup>(e)</sup>
Tun Mohammed Hanif bin Omar	295,262 <sup>(e)</sup>	178,928 <sup>(e)</sup>	117,100	357,090 <sup>(e)</sup>
Mr Lim Keong Hui	315,738 <sup>(e)</sup>	188,786 <sup>(e)</sup>	125,600	378,924 <sup>(e)</sup>

**Interest in Genting Plantations Berhad (“Genting Plantations”)**

	1.1.2017	Acquired	Disposed	31.12.2017
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(Number of ordinary shares)

**Shareholding in which the Director  
has direct interest**

Tan Sri Lim Kok Thay	369,000	-	-	369,000
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**Interest of Spouse/Child of the Director**

Dato’ Dr. R. Thillainathan	10,000	-	-	10,000
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**Shareholdings in which the Directors  
have deemed interests**

Tan Sri Lim Kok Thay	-	407,005,000 <sup>(c)</sup>	-	407,005,000 <sup>(c)</sup>
Mr Lim Keong Hui	-	407,005,000 <sup>(c)</sup>	-	407,005,000 <sup>(c)</sup>

	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
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(Number of warrants 2013/2019)

**Warrantholding in which the Director  
has direct interest**

Tan Sri Lim Kok Thay	73,800	-	-	73,800
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Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

**Interest in Genting Plantations (cont'd)**

	1.1.2017	Acquired	Exercised/ Disposed	31.12.2017
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(Number of warrants 2013/2019)

**Warrantholdings in which the Directors have deemed interests**

Tan Sri Lim Kok Thay	-	81,401,000 <sup>(c)</sup>	-	81,401,000 <sup>(c)</sup>
Mr Lim Keong Hui	-	81,401,000 <sup>(c)</sup>	-	81,401,000 <sup>(c)</sup>

**Interest of Spouse/Child of the Director**

Dato' Dr. R. Thillainathan	2,000	-	-	2,000
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**Interest in Genting Singapore PLC ("Genting Singapore")**

	1.1.2017	Acquired	Disposed	31.12.2017
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(Number of ordinary shares)

**Shareholdings in which the Directors have direct interests**

Tan Sri Lim Kok Thay	12,695,063	750,000	-	13,445,063
Dato' Dr. R. Thillainathan	1,582,438	-	-	1,582,438
Tan Sri Dr. Lin See Yan	496,292	-	-	496,292

**Shareholdings in which the Directors have indirect/deemed interests**

Tan Sri Lim Kok Thay	6,353,828,069 <sup>(d)</sup>	-	-	6,353,828,069 <sup>(d)</sup>
Mr Lim Keong Hui	6,353,828,069 <sup>(d)</sup>	-	-	6,353,828,069 <sup>(d)</sup>

	1.1.2017	Awarded	Vested	31.12.2017
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(Number of performance shares)

**Performance Shares in the name of a Director**

Tan Sri Lim Kok Thay	750,000 <sup>(d)</sup>	-	750,000	-
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Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

Legend:

- (a) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:*
- i) *beneficiaries of a discretionary trust of which Parkview Management Sdn Bhd ("PMSB") is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of Kien Huat International Limited ("KHI") which in turn owns 100% of the voting shares in Kien Huat Realty Sdn Berhad ("KHR"). As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of the Company held by KHR and Inverway Sdn Bhd ("Inverway"), a wholly owned subsidiary of KHR by virtue of its controlling interest in KHR and Inverway; and*
  - ii) *beneficiaries of a discretionary trust of which First Names Trust Company (Isle of Man) Limited ("FNTC") is the trustee. Golden Hope Limited ("GHL") acts as trustee of the Golden Hope Unit Trust ("GHUT"), a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares and warrants in the Company.*

*Arising from the above, Tan Sri Lim Kok Thay and Mr Lim Keong Hui have deemed interests in the shares of certain subsidiaries of Genting Berhad.*

- (b) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being:*
- i) *beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares of KHR. KHR owns more than 20% of the voting shares of the Company which owns these ordinary shares in Genting Malaysia. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares of Genting Malaysia held by the Company as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the Company. PMSB as trustee of the discretionary trust is also deemed interested in the ordinary shares of Genting Malaysia held by KHR by virtue of its controlling interest in KHR; and*
  - ii) *beneficiaries of a discretionary trust of which FNTC is the trustee. GHL acts as trustee of the GHUT, a private unit trust whose voting units are ultimately owned by FNTC as trustee of the discretionary trust. GHL as trustee of the GHUT owns ordinary shares in Genting Malaysia.*

Genting Berhad (Company No: 7916-A)

**DIRECTORATE (Cont'd)**

Legend (Cont'd):

- (c) *Deemed interest by virtue of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee. PMSB as trustee of the discretionary trust owns 100% of the voting shares of KHI which in turn owns 100% of the voting shares in KHR. KHR owns more than 20% of the voting shares of the Company which owns these ordinary shares and warrants in Genting Plantations. As such, PMSB as trustee of the discretionary trust is deemed interested in the ordinary shares and warrants of Genting Plantations held by the Company as it is entitled to exercise or control the exercise of not less than 20% of the votes attached to the voting shares in the Company.*
- (d) *Deemed interest in accordance with the Singapore Securities and Futures Act (Cap 289) on account of Tan Sri Lim Kok Thay and Mr Lim Keong Hui being beneficiaries of a discretionary trust of which PMSB is the trustee.*
- PMSB as trustee of the discretionary trust is deemed interested in the shares of Genting Singapore held by KHR and Genting Overseas Holdings Limited, a wholly owned subsidiary of the Company. KHR controls more than 20% of the voting share capital of the Company.*
- (e) *Represents the right of the participant to receive ordinary shares subject to the performance conditions as determined by the Remuneration Committee of Genting Malaysia.*
- (f) *Represents the right of the participant to receive fully-paid shares of Genting Singapore free of charge, upon the participant satisfying the criteria set out in the Genting Singapore Performance Share Scheme and upon satisfying such criteria as may be imposed.*

Apart from the above disclosures:

- (a) the Directors of the Company do not have any other interests in shares in the Company and in shares in other related corporations of the Company either at the beginning or end of the financial year; and
- (b) neither during nor at the end of the financial year, was the Company a party to any arrangement whose object is to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



**DIRECTORATE (Cont'd)**

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by the Directors and the provision for Directors' retirement gratuities shown in the financial statements or the fixed salary of a full time employee of the Company and/or its related corporations) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member or with a company in which he has a substantial financial interest except for any benefit which may be deemed to have arisen by virtue of the following transactions:

- (i) A corporation in which Tan Sri Lim Kok Thay is a Director and has substantial financial interest, has:
  - (a) leased an office premise on the 10<sup>th</sup> Floor, Genting Centre, Singapore from Resorts World Properties Pte. Ltd., a wholly owned subsidiary of Genting Singapore, which in turn is an indirect 52.7% owned subsidiary of the Company.
  - (b) been appointed by Resorts World at Sentosa Pte. Ltd., an indirect wholly owned subsidiary of Genting Singapore, as the consultant for theme park and resort development and operations of the Resorts World Sentosa.
  - (c) been appointed by Genting Malaysia, a company which is 49.4% owned by the Company, as the consultant for theme park and resort development and operations of the Resorts World Genting at Genting Highlands.
  - (d) been appointed by Resorts World Las Vegas LLC, an indirect wholly owned subsidiary of the Company to provide design services as an Entertainment Design Consultant for the indoor Entertainment Street of the Resorts World Las Vegas project.
- (ii) Transactions made by the Company or its related corporations with certain corporations referred to in Note 44 to the financial statements in which the nature of relationships of Tan Sri Lim Kok Thay and Mr Lim Keong Hui are disclosed therein.

In accordance with Paragraph 104 of the Company's Constitution, Tun Mohammed Hanif bin Omar, Dato' Dr. R. Thillainathan, Tan Sri Dr. Lin See Yan, Tan Sri Foong Cheng Yuen and Madam Koid Swee Lian are due to retire at the forthcoming Annual General Meeting ("AGM") and they, being eligible, have offered themselves for election.

Tan Sri Lim Kok Thay is due to retire by rotation at the forthcoming AGM in accordance with Paragraph 99 of the Company's Constitution and he, being eligible, has offered himself for re-election.

Details of the remuneration of the Directors of the Company are set out in Note 11 to the financial statements.

Genting Berhad (Company No: 7916-A)

### **DIRECTORATE (Cont'd)**

The names of directors of subsidiaries where the shares are held by the Company are listed below (excluding directors who are also Directors of the Company):

Tan Sri Dato' Seri Alwi Jantan  
Tan Sri Clifford Francis Herbert  
Mr Quah Chek Tin  
Mr Teo Eng Siong  
Dato' Koh Hong Sun  
Mr Tan Kong Han  
Mr Ong Tiong Soon  
Mr Chong Kin Leong  
Mr Derrick Khoo Sin Huat  
Ms Goh Lee Sian  
Encik Azmi bin Abdullah  
Ms Chiew Sow Lin  
Ms Woon Yoke Sun  
Mr Chew Weng Hong  
Dato' Justin Leong Ming Loong  
Ms Koh Poy Yong

Gen. Dato' Seri DiRaja Tan Sri (Dr.) Mohd  
Zahidi bin Hj Zainuddin (R)  
Lt. Gen. Dato' Abdul Ghani bin Abdullah (R)  
Mr Ching Yew Chye  
Mr Yong Chee Kong  
Tan Sri Dato' Sri Zaleha binti Zahari  
Mr Lee Ser Wor  
Mr Hiu Woon Yau  
Professor Claude Michel Wischik  
Mr Wong Kin Meng  
Dr Loh Yin Sze (*alternate director to Mr  
Wong Kin Meng*)  
Ms Christine Chan Meng Yook  
Mr Declan Thomas Kenny  
Mr Charles Gary Hepburn  
Mr Christopher James Tushingham (*alternate  
director to Mr Charles Gary Hepburn*)  
Encik Mohd Din Jusoh\*

\* *Retired during the financial year*

Total directors' remuneration paid by these subsidiaries during the financial year is RM2.0 million.

### **INDEMNITY AND INSURANCE COSTS**

The Directors and officers of the Group and the Company are covered by Directors and Officers Liability Insurance ("D&O") for any liability incurred in the discharge of their duties provided that they have not acted fraudulently or dishonestly or derived any personal profit or advantage. The sum insured was determined by the Company after taking into account the diversified nature of the Group's businesses across multiple territories globally. The premium borne by the Company and the Group for the D&O coverage during the financial year was approximately RM0.1 million and RM0.8 million respectively.

Genting Berhad (Company No: 7916-A)

## **OTHER STATUTORY INFORMATION**

Before the financial statements of the Group and of the Company were prepared, the Directors took reasonable steps:

- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
- (ii) to ensure that any current assets, which were unlikely to be realised in the ordinary course of business including the values of current assets as shown in the accounting records of the Group and of the Company had been written down to an amount which the current assets might be expected so to realise.

At the date of this report, the Directors are not aware of any circumstances:

- (i) which would render the amounts written off for bad debts or the amount of the provision for doubtful debts inadequate to any substantial extent;
- (ii) which would render the values attributed to current assets in the financial statements of the Group and of the Company misleading;
- (iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate; and
- (iv) not otherwise dealt with in this report or in the financial statements of the Group and of the Company, that would render any amount stated in the financial statements misleading.

At the date of this report, there does not exist:

- (i) any charge on the assets of the Group or of the Company that has arisen since the end of the financial year which secures the liabilities of any other person; or
- (ii) any contingent liability in respect of the Group or of the Company that has arisen since the end of the financial year.

Genting Berhad (Company No: 7916-A)

### **OTHER STATUTORY INFORMATION (Cont'd)**

No contingent or other liability of the Group or of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Group or of the Company to meet their obligations, as and when they fall due.

In the opinion of the Directors:

- (i) the results of the operations of the Group and of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature; and
- (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group and of the Company for the financial year in which this report is made.

### **SUBSIDIARIES**

Details of the subsidiaries of the Company are set out in Note 45 to the financial statements.

### **AUDITORS**

Details of auditors' remuneration are set out in Note 9 to the financial statements.

The auditors, PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146), have expressed their willingness to accept re-appointment as auditors.

PricewaterhouseCoopers PLT (LLP0014401-LCA & AF1146) was registered on 2 January 2018 and with effect from that date, PricewaterhouseCoopers (AF1146), a conventional partnership was converted to a limited liability partnership.

Genting Berhad (Company No: 7916-A)

**STATEMENT BY DIRECTORS PURSUANT TO SECTION 251(2) OF THE COMPANIES ACT 2016**

We, **TAN SRI LIM KOK THAY** and **TUN MOHAMMED HANIF BIN OMAR**, being two of the Directors of **GENTING BERHAD**, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 15 to 184 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2017 and financial performance of the Group and of the Company for the financial year ended 31 December 2017 in accordance with the Financial Reporting Standards, the Malaysian Accounting Standards Board Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the requirements of the Companies Act 2016 in Malaysia.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors dated 27 February 2018.



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**TAN SRI LIM KOK THAY**  
Chairman and Chief Executive



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**TUN MOHAMMED HANIF BIN OMAR**  
Deputy Chairman

Kuala Lumpur

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**INCOME STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Amounts in RM million unless otherwise stated

	Note(s)	Group		Company	
		2017	2016 Restated	2017	2016
<b>Revenue</b>	5 & 6	<b>20,019.6</b>	18,365.8	<b>1,417.2</b>	1,064.6
Cost of sales	7	<u>(12,741.8)</u>	<u>(12,543.1)</u>	<u>(120.4)</u>	<u>(97.4)</u>
Gross profit		<b>7,277.8</b>	5,822.7	<b>1,296.8</b>	967.2
Other income		<b>1,770.1</b>	3,002.0	<b>72.0</b>	69.9
Selling and distribution costs		<b>(467.4)</b>	(445.0)	-	-
Administration expenses		<b>(1,515.6)</b>	(1,499.7)	<b>(16.3)</b>	(16.2)
Reversal of previously recognised impairment losses	8	-	195.2	-	-
Impairment losses	8	<b>(675.0)</b>	(188.2)	<b>(311.5)</b>	(45.5)
Other expenses					
- net fair value loss on derivative financial instruments		<b>(42.3)</b>	(93.5)	-	-
- others		<b>(1,038.2)</b>	(538.8)	<b>(126.6)</b>	(16.8)
Finance cost	9	<b>(950.1)</b>	(678.8)	<b>(180.2)</b>	(181.7)
Share of results in joint ventures	23	<b>38.8</b>	(5.3)	-	-
Share of results in associates	24	<u><b>(85.9)</b></u>	<u>(111.1)</u>	<u>-</u>	<u>-</u>
<b>Profit before taxation</b>	5 & 9	<b>4,312.2</b>	5,459.5	<b>734.2</b>	776.9
Taxation	12	<u><b>(1,069.4)</b></u>	<u>(981.7)</u>	<u><b>(138.5)</b></u>	<u>(132.5)</u>
<b>Profit for the financial year</b>		<u><b>3,242.8</b></u>	<u>4,477.8</u>	<u><b>595.7</b></u>	<u>644.4</u>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**INCOME STATEMENTS**

**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2017	2016 Restated	2017	2016
Profit attributable to:					
Equity holders of the Company		1,445.3	2,120.6	595.7	644.4
Holders of perpetual capital securities of a subsidiary		256.5	365.8	-	-
Non-controlling interests		1,541.0	1,991.4	-	-
		<u>3,242.8</u>	<u>4,477.8</u>	<u>595.7</u>	<u>644.4</u>
Earnings per share for profit attributable to the equity holders of the Company:					
Basic (sen)	13	<u>38.28</u>	<u>57.00</u>		
Diluted (sen)	13	<u>37.62</u>	<u>56.63</u>		

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Amounts in RM million unless otherwise stated

	Note	Group		Company	
		2017	2016 Restated	2017	2016
<b>Profit for the financial year</b>		<b>3,242.8</b>	<b>4,477.8</b>	<b>595.7</b>	<b>644.4</b>
<b>Other comprehensive (loss)/income</b>					
<b>Items that will not be reclassified subsequently to profit or loss:</b>					
Reversal of revaluation surplus on intangible assets		-	(13.3)	-	-
Actuarial gain/(loss) on retirement benefit liability		7.8	(10.6)	-	-
		<u>7.8</u>	<u>(23.9)</u>	<u>-</u>	<u>-</u>
<b>Items that will be reclassified subsequently to profit or loss:</b>					
Available-for-sale financial assets					
- Fair value gain/(loss)		26.3	(411.3)	-	-
- Reclassification to profit or loss		(168.6)	(728.0)	-	-
		<u>(142.3)</u>	<u>(1,139.3)</u>	<u>-</u>	<u>-</u>
Cash flow hedges					
- Fair value gain		73.8	49.0	-	-
- Reclassifications		(12.5)	6.4	-	-
		<u>61.3</u>	<u>55.4</u>	<u>-</u>	<u>-</u>
Share of other comprehensive income of joint ventures	23	(9.1)	4.1	-	-
Share of other comprehensive income of associates	24	(47.3)	18.7	-	-
Net foreign currency exchange differences		(2,405.7)	131.5	-	-
		<u>(2,543.1)</u>	<u>(929.6)</u>	<u>-</u>	<u>-</u>
<b>Other comprehensive loss for the financial year, net of tax</b>		<b>(2,535.3)</b>	<b>(953.5)</b>	<b>-</b>	<b>-</b>
<b>Total comprehensive income for the financial year</b>		<b>707.5</b>	<b>3,524.3</b>	<b>595.7</b>	<b>644.4</b>
Total comprehensive (loss)/income attributable to:					
Equity holders of the Company		(233.4)	1,789.6	595.7	644.4
Holders of perpetual capital securities of a subsidiary		114.6	439.2	-	-
Non-controlling interests		826.3	1,295.5	-	-
		<u>707.5</u>	<u>3,524.3</u>	<u>595.7</u>	<u>644.4</u>



Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017**

Amounts in RM million unless otherwise stated

	Note	Group 31 December 2017	Group 31 December 2016 Restated	1 January 2016 Restated	Company 31 December 2017	Company 31 December 2016
<b>ASSETS</b>						
<b>Non-Current Assets</b>						
Property, plant and equipment	15	36,228.8	34,783.6	32,963.5	2.8	2.0
Land held for property development	16	384.3	378.9	359.7	-	-
Investment properties	17	1,965.3	2,099.6	2,070.7	-	-
Plantation development	18	-	-	-	-	-
Leasehold land use rights	19	641.0	495.8	387.1	-	-
Intangible assets	20	5,903.8	6,527.4	6,666.6	-	-
Rights of use of oil and gas assets	21	3,608.1	4,069.7	3,881.2	-	-
Subsidiaries	22	-	-	-	14,286.4	14,357.4
Amounts due from subsidiaries	22	-	-	-	68.7	68.7
Joint ventures	23	1,213.8	1,284.8	1,118.7	-	-
Associates	24	720.2	1,023.3	1,200.8	-	-
Available-for-sale financial assets	26	1,957.4	2,117.0	2,303.0	-	-
Derivative financial instruments	41	4.3	114.1	121.8	227.9	232.8
Other non-current assets	27	6,019.8	6,164.2	4,642.3	-	-
Deferred tax assets	28	201.3	238.9	393.3	24.6	20.9
		<u>58,848.1</u>	<u>59,297.3</u>	<u>56,108.7</u>	<u>14,610.4</u>	<u>14,681.8</u>
<b>Current Assets</b>						
Property development costs	16	31.2	50.0	90.8	-	-
Inventories	29	580.4	583.0	480.6	-	-
Trade and other receivables	30	2,123.7	2,344.9	3,751.5	10.5	10.8
Current tax assets		247.7	134.3	96.8	-	-
Amounts due from subsidiaries	22	-	-	-	66.4	275.4
Amounts due from joint ventures	23	4.2	3.8	3.5	-	-
Amounts due from associates	24	1.1	7.0	8.7	-	-
Financial assets at fair value through profit or loss	25	7.4	10.8	8.1	-	-
Available-for-sale financial assets	26	868.1	1,619.7	1,566.6	-	200.0
Derivative financial instruments	41	3.9	7.7	93.1	-	-
Restricted cash	31	1,325.1	565.1	626.3	0.1	0.1
Cash and cash equivalents	31	29,491.9	25,318.5	23,612.9	2,460.2	1,430.4
		<u>34,684.7</u>	<u>30,644.8</u>	<u>30,338.9</u>	<u>2,537.2</u>	<u>1,916.7</u>
Assets classified as held for sale	32	75.7	1,600.9	2,077.1	-	-
		<u>34,760.4</u>	<u>32,245.7</u>	<u>32,416.0</u>	<u>2,537.2</u>	<u>1,916.7</u>
<b>Total Assets</b>		<u>93,608.5</u>	<u>91,543.0</u>	<u>88,524.7</u>	<u>17,147.6</u>	<u>16,598.5</u>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 (Cont'd)**

Amounts in RM million unless otherwise stated

	Note	Group 31 December 2017	31 December 2016 Restated	1 January 2016 Restated	Company 31 December 2017	31 December 2016
<b>EQUITY AND LIABILITIES</b>						
<b>Equity Attributable to Equity</b>						
<b>Holders of the Company</b>						
Share capital	33	2,818.7	375.0	374.3	2,818.7	375.0
Treasury shares	34	(221.2)	(221.2)	(219.6)	(221.2)	(221.2)
Reserves	35	31,192.2	33,855.2	31,717.0	10,707.8	12,538.6
		<u>33,789.7</u>	<u>34,009.0</u>	<u>31,871.7</u>	<u>13,305.3</u>	<u>12,692.4</u>
Perpetual capital securities of a subsidiary	36	-	7,144.9	7,071.5	-	-
Non-controlling interests		23,319.2	23,550.4	22,884.2	-	-
<b>Total Equity</b>		<u>57,108.9</u>	<u>64,704.3</u>	<u>61,827.4</u>	<u>13,305.3</u>	<u>12,692.4</u>
<b>Non-Current Liabilities</b>						
Long term borrowings	37	24,950.2	15,745.0	17,017.4	-	-
Amounts due to subsidiaries	22	-	-	-	3,592.8	3,592.5
Deferred tax liabilities	28	2,205.4	2,071.2	1,947.7	-	-
Derivative financial instruments	41	148.4	232.2	270.7	-	-
Provisions	38	512.0	496.1	458.4	103.0	88.3
Other non-current liabilities	39	352.9	326.3	36.0	-	-
		<u>28,168.9</u>	<u>18,870.8</u>	<u>19,730.2</u>	<u>3,695.8</u>	<u>3,680.8</u>
<b>Current Liabilities</b>						
Trade and other payables	40	5,394.2	5,194.0	5,009.4	48.0	39.1
Amounts due to subsidiaries	22	-	-	-	62.5	155.5
Amounts due to joint ventures	23	112.4	128.0	109.8	-	-
Short term borrowings	37	2,019.1	2,219.6	1,487.3	-	-
Derivative financial instruments	41	46.1	73.4	69.5	-	-
Taxation		699.7	341.8	291.1	36.0	30.7
		<u>8,271.5</u>	<u>7,956.8</u>	<u>6,967.1</u>	<u>146.5</u>	<u>225.3</u>
Liabilities classified as held for sale	32	59.2	11.1	-	-	-
		<u>8,330.7</u>	<u>7,967.9</u>	<u>6,967.1</u>	<u>146.5</u>	<u>225.3</u>
<b>Total Liabilities</b>		<u>36,499.6</u>	<u>26,838.7</u>	<u>26,697.3</u>	<u>3,842.3</u>	<u>3,906.1</u>
<b>Total Equity and Liabilities</b>		<u>93,608.5</u>	<u>91,543.0</u>	<u>88,524.7</u>	<u>17,147.6</u>	<u>16,598.5</u>

Genting Berhad (Company No. 7916-A)  
**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**  
**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**  
Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company											Total Equity	
	Share Capital	Share Premium	Warrants Reserve	Revaluation Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Reserve on Exchange Differences	Retained Earnings	Treasury Shares	Total	Perpetual Capital Securities of a Subsidiary		Non-controlling Interests
At 1 January 2017, as previously reported	375.0	1,481.2	1,098.7	293.0	384.3	(85.3)	6,161.5	25,316.8	(221.2)	34,804.0	7,144.9	23,804.4	65,753.3
Effect of change in accounting policies (see Note 2(d))	-	-	-	-	-	-	(150.7)	(644.3)	-	(795.0)	-	(254.0)	(1,049.0)
At 1 January 2017, as restated	375.0	1,481.2	1,098.7	293.0	384.3	(85.3)	6,010.8	24,672.5	(221.2)	34,009.0	7,144.9	23,550.4	64,704.3
Transfer from share premium	-	-	-	-	-	-	-	-	-	-	-	-	-
Profit for the financial year	-	-	-	-	-	-	-	1,445.3	-	1,445.3	256.5	1,541.0	3,242.8
Other comprehensive (loss)/income	-	-	-	-	(107.4)	33.2	(1,605.0)	0.5	-	(1,678.7)	(141.9)	(714.7)	(2,535.3)
Total comprehensive (loss)/income for the financial year	-	-	-	-	(107.4)	33.2	(1,605.0)	1,445.8	-	(233.4)	114.6	826.3	707.5
Transfer due to realisation of revaluation reserve	-	-	-	(0.3)	-	-	-	0.3	-	-	-	-	-
<b>Transactions with owners:</b>													
Effects arising from changes in composition of the Group	-	-	-	-	-	-	-	16.9	-	16.9	-	19.8	36.7
Transfer upon expiry of share option scheme of a subsidiary	-	-	-	-	-	-	-	9.8	-	9.8	-	(9.8)	-
Effects of share-based payment	-	-	-	-	-	-	-	-	-	-	-	80.0	80.0
Perpetual capital securities	-	-	-	-	-	-	-	-	-	-	(357.6)	-	(357.6)
distribution paid by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Redemption of perpetual capital securities, net of transaction costs	-	-	-	-	-	-	-	(40.1)	-	(40.1)	(6,901.9)	(35.7)	(6,977.7)
by a subsidiary	-	-	-	-	-	-	-	-	-	-	-	-	-
Tax credit arising from perpetual capital securities of a subsidiary	-	-	-	-	-	-	-	10.3	-	10.3	-	9.2	19.5
<b>Total changes in ownership interests in subsidiaries that do not result in loss of control</b>	-	-	-	-	-	-	-	(3.1)	-	(3.1)	(7,259.5)	63.5	(7,199.1)
Issue of shares upon exercise of warrants	962.5	-	(152.4)	-	-	-	-	-	-	810.1	-	-	810.1
Dividend paid to non-controlling interests	-	-	-	-	-	-	-	-	-	-	-	(1,121.0)	(1,121.0)
Appropriation:													
Special single-tier dividend for the financial year ended 31 December 2016	-	-	-	-	-	-	-	(242.0)	-	(242.0)	-	-	(242.0)
Final single-tier dividend for the financial year ended 31 December 2016	-	-	-	-	-	-	-	(226.6)	-	(226.6)	-	-	(226.6)
Interim single-tier dividend for the financial year ended 31 December 2017	-	-	-	-	-	-	-	(324.3)	-	(324.3)	-	-	(324.3)
<b>Total contributions by and distributions to owners</b>	962.5	-	(152.4)	-	-	-	-	(792.9)	-	17.2	-	(1,121.0)	(1,103.8)
<b>Total transactions with owners</b>	962.5	-	(152.4)	-	-	-	-	(796.0)	-	14.1	(7,259.5)	(1,057.5)	(8,302.9)
<b>Balance as at 31 December 2017</b>	<b>2,818.7</b>	<b>-</b>	<b>946.3</b>	<b>292.7</b>	<b>276.9</b>	<b>(52.1)</b>	<b>4,405.8</b>	<b>25,322.6</b>	<b>(221.2)</b>	<b>33,789.7</b>	<b>-</b>	<b>23,319.2</b>	<b>57,108.9</b>

Genting Berhad (Company No: 7916--A)  
**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

Amounts in RM million unless otherwise stated

Group	Attributable to equity holders of the Company											Non-controlling Interests	Total Equity	
	Note(s)	Share Capital	Share Premium	Warrants Reserve	Revaluation Reserve	Fair Value Reserve	Cash Flow Hedge Reserve	Reserve on Exchange Differences	Retained Earnings	Treasury Shares	Total			Perpetual Capital Securities of a Subsidiary
At 1 January 2016, as previously reported		374.3	1,417.4	1,108.9	301.2	948.5	(203.3)	5,881.3	23,009.1	(219.6)	32,617.8	7,071.5	23,101.8	62,791.1
Effect of change in accounting policies (see Note 2(d))		374.3	1,417.4	1,108.9	301.2	948.5	(203.3)	(124.8)	(621.3)	-	(746.1)	-	(217.6)	(963.7)
At 1 January 2016, as restated		374.3	1,417.4	1,108.9	301.2	948.5	(203.3)	5,756.5	22,387.8	(219.6)	31,871.7	7,071.5	22,884.2	61,827.4
Profit for the financial year		-	-	-	-	-	-	-	2,120.6	-	2,120.6	365.8	1,991.4	4,477.8
Other comprehensive (loss)/income		-	-	-	(7.0)	(564.2)	1.0	254.3	(15.1)	-	(331.0)	73.4	(695.9)	(953.5)
Total comprehensive (loss)/income for the financial year		-	-	-	(7.0)	(564.2)	1.0	254.3	2,105.5	-	1,789.6	439.2	1,295.5	3,524.3
Transfer due to realisation of revaluation reserve		-	-	-	(1.2)	-	-	-	1.2	-	-	-	-	-
<b>Transactions with owners:</b>														
Effects arising from changes in composition of the Group		-	-	-	-	-	117.0	-	305.2	-	422.2	-	61.5	483.7
Transfer upon expiry of share option scheme of a subsidiary		-	-	-	-	-	-	-	5.2	-	5.2	-	(5.2)	-
Buy-back of shares by the subsidiaries		-	-	-	-	-	-	-	-	-	-	-	(4.8)	(4.8)
Effects of share-based payment		-	-	-	-	-	-	-	-	-	-	-	77.8	77.8
Perpetual capital securities distribution payable and paid by a subsidiary		-	-	-	-	-	-	-	-	-	-	(365.8)	-	(365.8)
Tax credit arising from perpetual capital securities of a subsidiary		-	-	-	-	-	-	-	(2.1)	-	(2.1)	-	(1.8)	(3.9)
<b>Total changes in ownership interests in subsidiaries that do not result in loss of control</b>		-	-	-	-	-	117.0	-	308.3	-	425.3	(365.8)	127.5	187.0
Issue of shares upon exercise of warrants	33 & 35	0.7	63.8	(10.2)	-	-	-	-	-	-	54.3	-	-	54.3
Buy-back of shares by the Company	34	-	-	-	-	-	-	-	-	(1.6)	(1.6)	-	-	(1.6)
Dividend paid to non-controlling interests		-	-	-	-	-	-	-	-	-	-	-	(756.8)	(756.8)
Appropriation: Final single-tier dividend for the financial year ended 31 December 2015	14	-	-	-	-	-	-	-	(130.3)	-	(130.3)	-	-	(130.3)
<b>Total contributions by and distributions to owners</b>		0.7	63.8	(10.2)	-	-	-	-	(130.3)	(1.6)	(77.6)	-	(756.8)	(834.4)
<b>Total transactions with owners</b>		0.7	63.8	(10.2)	-	-	-	-	178.0	(1.6)	347.7	(365.8)	(629.3)	(647.4)
<b>Balance as at 31 December 2016</b>		375.0	1,481.2	1,098.7	293.0	384.3	(85.3)	6,010.8	24,672.5	(221.2)	34,009.0	7,144.9	23,550.4	64,704.3

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CHANGES IN EQUITY**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

Amounts in RM million unless otherwise stated

Company	Note(s)	Share Capital	Share Premium	Warrants Reserve	Distributable		Total
					Retained Earnings	Treasury Shares	
<b>At 1 January 2017</b>		<b>375.0</b>	<b>1,481.2</b>	<b>1,098.7</b>	<b>9,958.7</b>	<b>(221.2)</b>	<b>12,692.4</b>
Transfer from share premium	33	1,481.2	(1,481.2)	-	-	-	-
Profit for the financial year		-	-	-	595.7	-	595.7
<b>Transactions with owners:</b>							
Issue of shares upon exercise of warrants	33 & 35	962.5	-	(152.4)	-	-	810.1
Appropriation:							
Special single-tier dividend for the financial year ended 31 December 2016	14	-	-	-	(242.0)	-	(242.0)
Final single-tier dividend for the financial year ended 31 December 2016	14	-	-	-	(226.6)	-	(226.6)
Interim single-tier dividend for the financial year ended 31 December 2017	14	-	-	-	(324.3)	-	(324.3)
<b>Total transactions with owners</b>		<b>962.5</b>	<b>-</b>	<b>(152.4)</b>	<b>(792.9)</b>	<b>-</b>	<b>17.2</b>
<b>Balance as at 31 December 2017</b>		<b>2,818.7</b>	<b>-</b>	<b>946.3</b>	<b>9,761.5</b>	<b>(221.2)</b>	<b>13,305.3</b>
<b>At 1 January 2016</b>		<b>374.3</b>	<b>1,417.4</b>	<b>1,108.9</b>	<b>9,444.6</b>	<b>(219.6)</b>	<b>12,125.6</b>
Profit for the financial year		-	-	-	644.4	-	644.4
<b>Transactions with owners:</b>							
Issue of shares upon exercise of warrants	33 & 35	0.7	63.8	(10.2)	-	-	54.3
Buy-back of shares	34	-	-	-	-	(1.6)	(1.6)
Appropriation:							
Final single-tier dividend for the financial year ended 31 December 2015	14	-	-	-	(130.3)	-	(130.3)
<b>Total transactions with owners</b>		<b>0.7</b>	<b>63.8</b>	<b>(10.2)</b>	<b>(130.3)</b>	<b>(1.6)</b>	<b>(77.6)</b>
<b>Balance as at 31 December 2016</b>		<b>375.0</b>	<b>1,481.2</b>	<b>1,098.7</b>	<b>9,958.7</b>	<b>(221.2)</b>	<b>12,692.4</b>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017**

Amounts in RM million unless otherwise stated

	Note	2017	Group 2016 Restated	Company 2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Profit before taxation		4,312.2	5,459.5	734.2	776.9
Adjustments for:					
Depreciation and amortisation		2,127.0	2,003.1	0.9	0.9
Finance cost		950.1	678.8	180.2	181.7
Impairment losses		675.0	188.2	311.5	45.5
Impairment losses on amounts due from subsidiaries		-	-	116.6	-
Net unrealised exchange loss/(gain)		304.8	(197.1)	4.4	1.4
Impairment losses and write off of receivables		168.3	804.5	-	-
Share of results in associates		85.9	111.1	-	-
Provision for share-based payments		80.3	77.3	-	-
Provision for retirement gratuities		63.8	31.9	16.1	3.7
Property, plant and equipment ("PPE") written off		57.0	41.0	-	-
Loss/(gain) on derecognition/dilution of shareholding in associates		62.4	(26.4)	-	-
Net fair value loss/(gain) on derivative financial instruments		42.3	93.5	4.9	(17.2)
Amount due from an associate written off		5.4	-	-	-
Net fair value loss/(gain) on financial assets at fair value through profit or loss		2.5	(2.2)	-	-
Inventories written off		1.3	0.4	-	-
Fair value adjustment of long term receivables		1.1	5.4	-	-
Interest income		(886.8)	(1,024.5)	(68.4)	(42.2)
Gain on disposal of assets and liabilities classified as held for sale		(302.2)	(3.0)	-	-
Net gain on disposal of available-for-sale financial assets		(226.0)	(1,307.0)	-	-
Construction profit		(48.6)	(111.7)	-	-
Share of results in joint ventures		(38.8)	5.3	-	-
Net gain on disposal of PPE		(31.2)	(127.5)	-	-
Income from available-for-sale financial assets		(27.6)	(47.1)	(0.8)	(7.6)
Net surplus arising from compensation in respect of land acquired by the Government		(10.6)	(0.1)	-	-
Dividend income		(10.3)	(10.3)	(779.6)	(447.0)
Gain on bargain purchase		(2.8)	-	-	-
(Write back)/provision for onerous leases		(0.3)	62.6	-	-
Intangible assets written off		-	80.1	-	-
Reversal of previously recognised impairment losses		-	(195.2)	-	-
Other non-cash items		41.8	(20.5)	-	-
		<b>3,083.8</b>	<b>1,110.6</b>	<b>(214.2)</b>	<b>(280.8)</b>
<b>Operating profit before changes in working capital</b>		<b>7,396.0</b>	<b>6,570.1</b>	<b>520.0</b>	<b>496.1</b>
Working capital changes:					
Property development costs		18.0	43.4	-	-
Inventories		(4.0)	(120.2)	-	-
Receivables		181.8	894.8	(0.3)	4.3
Payables		13.9	(433.9)	9.0	5.8
Amounts due from/to associates		0.7	1.5	-	-
Amounts due from/to joint ventures		(14.4)	19.3	-	-
Amounts due from/to subsidiaries		-	-	(15.7)	10.3
		<b>196.0</b>	<b>404.9</b>	<b>(7.0)</b>	<b>20.4</b>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

Amounts in RM million unless otherwise stated

	Note	Group 2017	Group 2016 Restated	Company 2017	Company 2016
<b>Cash generated from operations</b>		<b>7,592.0</b>	<b>6,975.0</b>	<b>513.0</b>	<b>516.5</b>
Taxation paid		(702.2)	(791.9)	(136.8)	(134.2)
Payment of retirement gratuities		(9.4)	(3.4)	(1.4)	(0.2)
Taxation refunded		49.9	120.8	-	6.6
Onerous lease paid		(94.8)	(4.5)	-	-
Other operating activities		(0.1)	(0.7)	-	-
		<u>(756.6)</u>	<u>(679.7)</u>	<u>(138.2)</u>	<u>(127.8)</u>
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>		<b><u>6,835.4</u></b>	<b><u>6,295.3</u></b>	<b><u>374.8</u></b>	<b><u>388.7</u></b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Purchase of PPE		(3,399.9)	(3,955.1)	(1.7)	(1.4)
Acquisition of subsidiaries	(a)	(531.1)	(106.8)	-	-
Purchase of investments		(435.4)	(589.6)	(240.6)	(286.4)
Purchase of investment properties		(51.2)	(0.3)	-	-
Purchase of leasehold land use rights		(50.4)	(13.0)	-	-
Purchase of intangible assets		(28.9)	(250.4)	-	-
Payment for rights of use of oil and gas assets		(30.2)	(132.6)	-	-
Investment in associate		(25.2)	(546.8)	-	-
Restricted cash		(9.7)	-	-	-
Costs incurred on land held for property development		(8.4)	(24.7)	-	-
Loan to an associate		(1.0)	-	-	-
Proceeds from disposal of assets and liabilities classified as held for sale		1,871.3	90.4	-	-
Proceeds from disposal of investments		903.7	1,828.3	200.0	-
Interest received		526.4	420.0	68.4	42.9
Proceeds from disposal of PPE		14.8	292.8	-	0.1
Dividends received from joint ventures		57.8	80.4	-	-
Income received from available-for-sale financial assets		29.0	47.2	1.4	7.7
Net cash outflow arising on disposal of subsidiaries		17.5	-	-	-
Dividends received from associates		12.2	2.1	-	-
Dividends received		3.7	19.9	779.6	447.0
Investment in joint venture		-	(262.0)	-	-
Proceeds from redemption of unquoted preference shares in a Malaysian corporation by a subsidiary		-	100.0	-	-
Proceeds received from redemption of preference shares by a joint venture		-	2.7	-	-
Advances to subsidiaries		-	-	(190.6)	(189.7)
Repayment of advances from subsidiaries		-	-	205.7	51.1
Other investing activities		13.2	0.1	-	-
<b>NET CASH FLOW (USED IN)/FROM INVESTING ACTIVITIES</b>		<b><u>(1,121.8)</u></b>	<b><u>(2,997.4)</u></b>	<b><u>822.2</u></b>	<b><u>71.3</u></b>

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

Amounts in RM million unless otherwise stated

	Note	2017	Group 2016 Restated	2017	Company 2016
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					
	(b)				
Redemption of perpetual capital securities by a subsidiary		(6,977.7)	-	-	-
Repayment of borrowings and transaction costs		(4,357.8)	(3,992.6)	-	-
Dividends paid to non-controlling interests		(1,121.0)	(756.8)	-	-
Finance cost paid		(955.4)	(776.3)	(179.9)	(180.1)
Dividends paid		(792.9)	(130.3)	(792.9)	(130.3)
Net movement in restricted cash		(753.4)	70.9	-	-
Perpetual capital securities distribution paid by a subsidiary		(357.6)	(365.8)	-	-
Proceeds from issuance of Notes by a subsidiary		6,584.8	-	-	-
Proceeds from bank borrowings		4,257.6	3,271.2	-	-
Proceeds from issuance of Medium Term Notes by a subsidiary		2,600.0	-	-	-
Proceeds from issue of shares upon exercise of warrants		810.1	54.3	810.1	54.3
Net proceeds from issuance of bonds by a subsidiary		722.9	-	-	-
Proceeds from issue of shares to non-controlling interests		72.5	88.2	-	-
Settlement of derivative financial instruments		63.7	-	-	-
Proceeds from shareholder loan		28.3	-	-	-
Buy-back of shares by the subsidiaries		-	(4.8)	-	-
Buy-back of shares by the Company		-	(1.6)	-	(1.6)
Proceeds from changes in ownership interest in a subsidiary		-	488.9	-	-
Other financing activities		0.1	(0.1)	-	-
<b>NET CASH FLOW USED IN FINANCING ACTIVITIES</b>		<b>(175.8)</b>	<b>(2,054.8)</b>	<b>(162.7)</b>	<b>(257.7)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>5,537.8</b>	<b>1,243.1</b>	<b>1,034.3</b>	<b>202.3</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF FINANCIAL YEAR</b>		<b>25,318.5</b>	<b>23,612.9</b>	<b>1,430.4</b>	<b>1,225.5</b>
<b>EFFECT OF CURRENCY TRANSLATION</b>		<b>(1,364.4)</b>	<b>462.5</b>	<b>(4.5)</b>	<b>2.6</b>
<b>CASH AND CASH EQUIVALENTS AT END OF FINANCIAL YEAR</b>		<b>29,491.9</b>	<b>25,318.5</b>	<b>2,460.2</b>	<b>1,430.4</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>					
Bank balances and deposits	31	24,473.9	20,969.3	891.4	571.2
Money market instruments	31	5,018.0	4,349.2	1,568.8	859.2
		<b>29,491.9</b>	<b>25,318.5</b>	<b>2,460.2</b>	<b>1,430.4</b>



Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

**NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS**

(a) **Acquisition of Subsidiaries**

Fair value of net assets acquired and net cash outflow on acquisition of subsidiaries in the current financial year by Genting Plantations Berhad (“Genting Plantations”) Group, which is 51.6% owned by the Company, are analysed as follows:

	<b>2017</b> <b>As at the date</b> <b>of acquisition</b>
Property, plant and equipment	(626.7)
Leasehold land use rights	(163.3)
Inventories	(9.2)
Trade and other receivables	(46.3)
Cash and bank balances	(10.2)
Trade and other payables	153.4
Borrowings	188.8
Deferred tax liabilities	122.3
Non-controlling interest	(10.6)
Total purchase consideration/Fair value of identifiable net assets acquired	(401.8)
Less: Cash and bank balances acquired	10.2
Add: Liabilities assumed	(139.5)
<b>Net cash outflow on acquisition of subsidiaries</b>	<b>(531.1)</b>

This acquisition relates to Genting Plantations Group’s acquisition of 100% equity interest in Knowledge One Investment Pte Ltd as disclosed in Note 43(c). The purchase price allocation of the acquisition was provisional as at 31 December 2017 and Genting Plantations Group expects to complete the final purchase price allocation exercise within the twelve-month window period from the acquisition date.

The revenue and net loss of the above acquired subsidiaries included in the consolidated income statement of the Group for the period from the date of acquisition to 31 December 2017 amounted to RM15.7 million and RM0.6 million respectively. Had the acquisition taken effect on 1 January 2017, the revenue and net profit of the above acquired subsidiaries included in the consolidated income statement of the Group would be RM73.6 million and RM1.5 million respectively. These amounts have been determined using the Group’s accounting policies.

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**STATEMENTS OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017 (Cont'd)**

**NOTES TO CONSOLIDATED STATEMENTS OF CASH FLOWS (Cont'd)**

(b) **Reconciliation of liabilities arising from financing activities**

<b>Group 2017</b>	<b>Long term borrowings</b>	<b>Short term borrowings</b>	<b>Interest payable</b>	<b>Total</b>
<b>Beginning of the financial year</b>	<b>(15,745.0)</b>	<b>(2,219.6)</b>	<b>(79.3)</b>	<b>(18,043.9)</b>
Cash flows	(11,230.0)	1,427.9	950.0	(8,852.1)
<u>Non-cash changes</u>				
Finance cost	(40.6)	(36.4)	(1,098.2)	(1,175.2)
Borrowings of subsidiaries acquired	(35.5)	(153.3)	-	(188.8)
Acquisitions – finance leases	(4.9)	(1.9)	-	(6.8)
Reclassification	1,098.4	(1,098.4)	0.4	0.4
Foreign exchange movement	1,007.4	62.6	17.1	1,087.1
<b>End of financial year</b>	<b>(24,950.2)</b>	<b>(2,019.1)</b>	<b>(210.0)</b>	<b>(27,179.3)</b>
<b>Company 2017</b>		<b>Amount due to subsidiaries</b>		
<b>Beginning of the financial year</b>		<b>3,592.5</b>		
Cash flows		(179.9)		
<u>Non-cash changes</u>				
Finance cost		180.2		
<b>End of financial year</b>		<b>3,592.8</b>		

Genting Berhad (Company No: 7916-A)

**GENTING BERHAD** (Incorporated in Malaysia)  
**& SUBSIDIARIES**

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2017**

Amounts in RM million unless otherwise stated

**1. CORPORATE INFORMATION**

Genting Berhad (“the Company”) is a public limited liability company incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is 24<sup>th</sup> Floor, Wisma Genting, Jalan Sultan Ismail, 50250 Kuala Lumpur.

The Company is principally an investment holding and management company.

The principal activities of the Group include leisure and hospitality, gaming and entertainment businesses, development and operation of integrated resort, plantation, the generation and supply of electric power, property development and management, tours and travel related services, investments, life sciences and biotechnology activities and oil and gas exploration, development and production activities.

Details of the principal activities of the subsidiaries, joint ventures and associates are set out in Note 45 to the financial statements.

There have been no other significant changes in the nature of the activities of the Group and of the Company during the financial year.

**2. BASIS OF PREPARATION**

The financial statements of the Group and the Company have been prepared in accordance with and comply with Financial Reporting Standards (“FRS”), the Malaysian Accounting Standards Board (“MASB”) Approved Accounting Standards in Malaysia for Entities Other Than Private Entities and the requirements of the Companies Act 2016 in Malaysia.

On 8 September 2015, MASB announced that in light of the International Accounting Standards Board’s deferral of IFRS 15 “Revenue from Contracts with Customers”, the effective date for the Transitioning Entities to apply the Malaysian Financial Reporting Standards (“MFRS”) Framework will also be deferred to 1 January 2018.

The Group falls within the scope definition of Transitioning Entities and accordingly, will adopt the MFRS Framework from the financial year beginning on 1 January 2018. In presenting its first MFRS financial statements, the Group will be required to restate the comparative financial statements to amounts reflecting the application of MFRS Framework. Adjustments required on transition, if any, will be made retrospectively against opening retained earnings in accordance with MFRS 1 “First-time adoption of MFRS”.

## **BASIS OF PREPARATION (Cont'd)**

Based on the assessment performed, transitional adjustments required in accordance with MFRS 1 upon transitioning to the MFRS Framework will not have any material impact on the Group's financial position, financial performance and cash flows.

The financial statements have been prepared on a historical cost basis, except as disclosed in the significant accounting policies below.

The preparation of financial statements in conformity with FRS requires the Directors to make judgements, estimations and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported financial year. It also requires Directors to exercise their judgements in the process of applying the Group's accounting policies. Although these judgements and estimations are based on Directors' best knowledge of current events and actions, actual results could differ from those judgements and estimations.

### **(a) Judgements and estimations**

In the process of applying the Group's accounting policies, management makes judgements and estimations that can significantly affect the amount recognised in the financial statements. These judgements and estimations include:

#### **(i) Exploration costs**

Exploration cost is accounted for in accordance with the successful efforts method. Under this method, all costs relating to exploration activities, except for geological and geophysical costs and office administration costs, are capitalised when incurred.

Exploration cost is written down to its recoverable amount when:

- it is determined that further exploration activities will not yield commercial quantities of reserves, no further exploration drilling is planned, and there is no existing production in the block or field; or
- the petroleum contract has expired or is surrendered.

In making decisions about whether to continue to capitalise exploration drilling costs, it is necessary to make judgements about the satisfaction of the above conditions after technical, commercial and management reviews. The Group is committed to continue exploring and developing these interests.

The Group tests exploration costs for any indicators of impairment or when facts and circumstances suggest that the carrying amount of exploration cost may exceed its recoverable amount. The key assumptions and judgement used in the assessment are set out in Note 21.

#### **(ii) Intangible assets**

The Group tests goodwill and intangible assets with indefinite useful life for impairment annually or whenever events indicate that the carrying amount may not be recoverable. The calculations require the use of estimates as set out in Note 20.

**BASIS OF PREPARATION (Cont'd)**

**(a) Judgements and estimations (cont'd)**

**(iii) Impairment of trade receivables**

Management reviews its trade receivables for objective evidence of impairment. Adverse changes in background reputation and financial capability of the debtor, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the payment ability of the debtor.

Where there is objective evidence of impairment, management uses estimates based on credit-worthiness of the debtors, past repayment history for each debtor and historical loss experience for debtors with similar credit risk characteristics to determine the amount to be impaired. The methodology and assumptions used are reviewed regularly to reduce any differences between the estimated loss and actual loss experience.

**(iv) Impairment of promissory notes issued by Mashpee Wampanoag Tribe (“the Tribe”)**

The Group tests promissory notes issued by the Tribe for impairment if there is any objective evidence of impairment in accordance with its accounting policy. The impairment assessment is judgemental as disclosed in Note 27.

**(v) Impairment and valuation of available-for-sale financial assets**

The Group measures its unquoted available-for-sale financial assets at fair value. The fair values of certain unquoted equity investments are determined based on valuation techniques which involve the use of estimates as disclosed in Note 26. In addition, the measurement basis for available-for-sale financial assets within Level 3 of the fair value hierarchy are disclosed in Note 4(c).

**(vi) Useful lives of property, plant and equipment**

The Group conducts a regular review of the estimated useful lives of its assets in line with its business operations. This has resulted in a reduction in the depreciation expense by RM91.2 million during the current financial year.

**(vii) Taxation**

The Group is subject to income taxes in numerous jurisdictions in which the Group operates. Significant judgement is required in determining the provision for income taxes that includes the estimate of the amount of capital allowances for items within the leasehold improvements and fixtures and fittings asset categories and the deductibility of certain expenses.

Where the final tax outcome of tax liabilities is different from the amounts that were initially recorded, such differences will impact the income tax liabilities and deferred tax assets and liabilities, where applicable, in the period in which such determination is made.

**BASIS OF PREPARATION (Cont'd)**

**(b) Standards, amendments to published standards and interpretations that are effective**

The Group and the Company have applied the following amendments for the first time for the financial year beginning on 1 January 2017:

- Amendments to FRS 107 “Statement of Cash Flows – Disclosure Initiative”
- Amendments to FRS 112 “Income Taxes – Recognition of Deferred Tax Assets for Unrealised Losses”
- Annual Improvements to FRSs 2014-2016 Cycle: FRS 12 “Disclosure of Interests in Other Entities”

The adoption of the Amendments to FRS 107 has required additional disclosure of changes in liabilities arising from financing activities. The additional disclosure is disclosed in notes to the Statements of Cash Flows. Other than that, the adoption of these amendments did not have any significant impact on the current or prior year and are not likely to affect future periods.

**(c) Standards and amendments that have been issued but not yet effective**

A number of new standards and amendments to standards and interpretations are effective for financial years beginning on or after 1 January 2018. None of these is expected to have a significant effect on the Group and the Company, except for the following as set out below:

- Amendments to MFRS 140 “Classification on Change in Use” – Assets transferred to, or from, Investment Properties (effective from 1 January 2018)\* clarify that to transfer to, or from investment properties there must be a change in use. A change in use would involve an assessment of whether a property meets, or has ceased to meet, the definition of investment property. The change must be supported by evidence that the change in use has occurred and a change in management’s intention in isolation is not sufficient to support a transfer of property.

The amendments also clarify the same principle applies to assets under construction. The Group will apply this amendment on or after 1 January 2018.

## **BASIS OF PREPARATION (Cont'd)**

### **(c) Standards and amendments that have been issued but not yet effective (cont'd)**

- IC Interpretation 22 “Foreign Currency Transactions and Advance Consideration” (effective from 1 January 2018)\* applies when an entity recognises a non-monetary asset or non-monetary liability arising from the payment or receipt of advance consideration. MFRS 121 requires an entity to use the exchange rate at the ‘date of the transaction’ to record foreign currency transactions.

IC Interpretation 22 provides guidance on how to determine ‘the date of transaction’ when a single payment/receipt is made, as well as in situations where multiple payments/receipts are made.

The date of transaction is the date when the payment or receipt of advance consideration gives rise to the non-monetary asset or non-monetary liability when the entity is no longer exposed to foreign exchange risk.

If there are multiple payments or receipts in advance, the entity should determine the date of the transaction for each payment or receipt.

The Group will apply IC Interpretation 22 prospectively.

- MFRS 9 “Financial Instruments” (effective from 1 January 2018)\* will replace MFRS 139 “Financial Instruments: Recognition and Measurement”.

MFRS 9 retains but simplifies the mixed measurement model in MFRS 139 and establishes three primary measurement categories for financial assets: amortised cost, fair value through profit or loss and fair value through other comprehensive income (“OCI”). The basis of classification depends on the entity’s business model and the cash flow characteristics of the financial asset. Investments in equity instruments are always measured at fair value through profit or loss with an irrevocable option at inception to present changes in fair value in OCI (provided the instrument is not held for trading). A debt instrument is measured at amortised cost only if the entity is holding it to collect contractual cash flows and the cash flows represent principal and interest.

For liabilities, the standard retains most of the MFRS 139 requirements. These include amortised cost accounting for most financial liabilities, with bifurcation of embedded derivatives. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity’s own credit risk is recorded in OCI rather than the income statement, unless this creates an accounting mismatch.

MFRS 9 introduces an expected credit loss model on impairment for all financial assets that replaces the incurred loss impairment model used in MFRS 139. The expected credit loss model is forward-looking and eliminates the need for a trigger event to have occurred before credit losses are recognised.

## **BASIS OF PREPARATION (Cont'd)**

### **(c) Standards and amendments that have been issued but not yet effective (cont'd)**

The Group has reviewed its financial assets and liabilities and envisage the following impact from the adoption of the new standard on 1 January 2018:

#### Classification and measurement

The majority of the Group's financial instruments currently classified as available-for-sale will satisfy the conditions for classification as financial assets at fair value through other comprehensive income ("FVOCI"). Fair value changes on equity investments at FVOCI are presented in OCI and are not subsequently transferred to profit or loss. Upon sale of equity investments at FVOCI, the cumulative gain or loss in OCI is reclassified to retained earnings. Certain available-for-sale investments in debt instruments and income funds that do not meet the criteria for classification either as FVOCI or amortised cost will have to be reclassified to financial assets at fair value through profit or loss ("FVTPL"). Related fair value gains or losses will have to be transferred from fair value reserve to retained earnings on 1 January 2018.

The other financial assets held by the Group include:

- equity investments currently measured at FVTPL which will continue to be measured on the same basis under MFRS 9; and
- debt instruments currently accounted for at amortised cost which meet the conditions for classification as amortised cost under MFRS 9.

There will be no impact on the Group's accounting for financial liabilities, as the new requirements only affect the accounting for financial liabilities that are designated at fair value through profit or loss and the Group does not have any such liabilities.

#### Impairment

The new impairment model requires the recognition of impairment provisions based on expected credit losses rather than only incurred credit losses as is the case under MFRS 139. It applies to financial assets classified at amortised cost, debt instruments measured at FVOCI, contract assets under MFRS 15 "Revenue from Contracts with Customers", lease receivables, loan commitments and certain financial guarantee contracts. Based on the assessments undertaken to date, the Group does not expect any significant impact arising from adopting this model under MFRS 9.



## **BASIS OF PREPARATION (Cont'd)**

### **(c) Standards and amendments that have been issued but not yet effective (cont'd)**

#### Hedge Accounting

The new hedge accounting rules will align the accounting for hedging instruments more closely with the Group's risk management practices. As a general rule, more hedge relationships might be eligible for hedge accounting, as the standard introduces a more principles-based approach. The Group expects that all its existing hedges that are designated in effective hedging relationships will continue to qualify for hedge accounting under MFRS 9.

MFRS 9 also introduces expanded disclosure requirements and changes in presentation. These are expected to change the nature and extent of the Group's disclosures about its financial instruments particularly in the year of adoption of the new standard.

The Group will apply the new rules retrospectively from 1 January 2018, with the practical expedients permitted under the standard and that comparatives will not be restated.

- MFRS 15 "Revenue from Contracts with Customers" (effective from 1 January 2018)\* replaces MFRS 118 "Revenue", MFRS 111 "Construction Contracts" and related interpretations. The core principle in MFRS 15 is that an entity recognises revenue to depict the transfer of promised goods or services to the customer in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services.

Revenue is recognised when a customer obtains control of goods or services, i.e. when the customer has the ability to direct the use of and obtain the benefits from the goods or services. Revenue is recognised in accordance with that core principle by applying a 5-step model:

- (i) Identify contracts with customers;
- (ii) Identify the separate performance obligations;
- (iii) Determine the transaction price of the contract;
- (iv) Allocate the transaction price of each of the separate performance obligations; and
- (v) Recognise the revenue as each performance obligation is satisfied.

Key provisions of the new standard are as follows:

- (i) Any bundled goods or services that are distinct must be separately recognised, and any discounts or rebates on the contract price must generally be allocated to the separate elements.
- (ii) If the consideration varies (such as for incentives, rebates, performance fees, royalties, success of an outcome, etc.), minimum amounts of revenue must be recognised if they are not at significant risk of reversal.
- (iii) The point at which revenue is able to be recognised may shift: some revenue which is currently recognised at a point in time at the end of a contract may have to be recognised over the contract term and vice versa.
- (iv) There are new specific rules on licences, warranties, non-refundable upfront fees, and consignment arrangements.
- (v) As with any new standard, there are also increased disclosures.

**BASIS OF PREPARATION (Cont'd)**

**(c) Standards and amendments that have been issued but not yet effective (cont'd)**

The Group has conducted the analysis on the different types of existing contracts with customers. The application of MFRS 15 is not expected to have a material impact on the Group's revenue based on current scope, and will have no impact on the cash flows. However, the Group anticipates more extensive disclosures will be required from the year of adoption in view of the requirements of MFRS 15 to provide information about the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

The Group will adopt the standard using the full retrospective approach from 1 January 2018, with the practical expedients permitted under the standard.

- Amendments to MFRS 116 "Property, Plant and Equipment" and MFRS 141 "Agriculture" (effective from 1 January 2018)\* introduce a new category of biological assets i.e. the bearer plants. A bearer plant is a living plant that is used in the production and supply of agricultural produce, is expected to bear produce for more than one period, and has a remote likelihood of being sold as agricultural produce (except for incidental scrap sales). Bearer plants are accounted for under MFRS 116 "Property, Plant and Equipment" as an item of property, plant and equipment. Agricultural produce growing on bearer plants continue to be measured at fair value less costs to sell under MFRS 141, with fair value changes recognised in profit or loss as the produce grows.

During the financial year, the Group has changed its accounting policy for its bearer plants (i.e. oil palm trees) to be in accordance with the principles of Amendments to MFRS 116 and MFRS 141 (see Note 2(d)).

The agriculture produce of the Group comprises fresh fruit bunches ("FFB") prior to harvest. Management has deliberated on the oil content of unripe FFB and concluded that since the oil content of unharvested FFB accrues exponentially up to 15 days prior to harvest, such unharvested FFB more than 15 days are excluded from the valuation as their fair values are considered negligible. The fair value of unharvested FFB is computed based on market approach which takes into consideration the market prices of such unharvested FFB less harvesting, transport and other costs to sell.

In view of the change in accounting policy for bearer plants and the assessment of fair value of FFB above, the adoption of this new standard is not expected to be material to the Group in the year of initial application.

## **BASIS OF PREPARATION (Cont'd)**

### **(c) Standards and amendments that have been issued but not yet effective (cont'd)**

- MFRS 16 “Leases” (effective from 1 January 2019) supersedes MFRS 117 “Leases” and the related interpretations.

Under MFRS 16, a lease is a contract (or part of a contract) that conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

MFRS 16 eliminates the classification of leases by the lessee as either finance leases (on balance sheet) or operating leases (off balance sheet). MFRS 16 requires a lessee to recognise a “right-of-use” of the underlying asset and a lease liability reflecting future lease payments for most leases.

The right-of-use asset is depreciated in accordance with the principle in MFRS 116 “Property, Plant and Equipment” and the lease liability is accreted over time with interest expense recognised in the income statement.

For lessors, MFRS 16 retains most of the requirements in MFRS 117. Lessors continue to classify all leases as either operating leases or finance leases and account for them differently. The Group is in the process of making an assessment of the potential impact of this standard on the financial statements.

- IC Interpretation 23 “Uncertainty over Income Tax Treatments” (effective 1 January 2019) provides guidance on how to recognise and measure deferred and current income tax assets and liabilities where there is uncertainty over a tax treatment.

If an entity concludes that it is not probable that the tax treatment will be accepted by the tax authority, the effect of the tax uncertainty should be included in the period when such determination is made. An entity shall measure the effect of uncertainty using the method which best predicts the resolution of the uncertainty.

IC Interpretation 23 will be applied retrospectively. The Group is in the process of making an assessment of the potential impact of this standard on the financial statements.

- \* These standards are to be adopted in conjunction with the adoption of MFRS Framework.

### **(d) Change in accounting policies**

#### **(i) Change in accounting policy for oil palm bearer plant**

During the financial year, the Group changed its accounting policy for bearer plants to be aligned with the underlying principle in the revised standard, Agriculture: Bearer Plants (Amendments to MFRS 116 “Property, Plant and Equipment” and MFRS 141 “Agriculture”) issued under the MFRS Framework. A bearer plant is a living plant that is used in the production or supply of agricultural produce, is expected to bear produce for more than one period and has a remote likelihood of being sold as agricultural produce, except for incidental scrap sales.

Prior to the change in accounting policy, the Group adopted the capital maintenance model on its bearer plants (i.e. oil palm trees) where all new planting expenditure (also termed as plantation development expenditure) incurred from the stage of land clearing up to the stage of maturity was capitalised and not depreciated. Replanting expenditure was charged to profit or loss in the financial year in which the expenditure was incurred.

**BASIS OF PREPARATION (Cont'd)**

**(d) Change in accounting policies (cont'd)**

**(i) Change in accounting policy for oil palm bearer plant (cont'd)**

Under the revised accounting policy, bearer plants are classified as property, plant and equipment and are accounted for in the same way as self-constructed items of property, plant and equipment. Plantation development and replanting expenditures are capitalised at cost and depreciated on a straight-line basis over its useful life of 22 years from the date of maturity. The bearer plants are subsequently measured at cost less accumulated depreciation and accumulated impairment loss, if any.

The change in accounting policy has been applied retrospectively and comparatives have been restated. The change has resulted in additional depreciation charges to profit or loss in the current and previous financial years. Replanting expenditure charged to profit or loss in previous years as other expenses has been reversed and capitalised under property, plant and equipment. The corresponding tax impact has been accounted for.

Plantation development expenditure has been reclassified to property, plant and equipment on the statements of financial position.

Cash flows from replanting expenditure which were previously classified as part of operating activities are classified as part of investing activities in the statements of cash flows under the new accounting policy.

**(ii) Change in accounting policy for exploration cost**

During the financial year, the Group changed its accounting policy for oil and gas exploration costs from its existing full cost method to the successful efforts method of accounting. Paragraph 13 of FRS 106 "Exploration for and Evaluation of Mineral Resources" allows an entity to change its accounting policy for exploration and evaluation costs if the change makes the financial statements more relevant to the economic decision-making needs of users and no less reliable, or more reliable and no less relevant to those needs. Although the full cost method of accounting for oil and gas exploration activities continues to be an accepted alternative, the successful efforts method of accounting is more widely used in the industry such that the change improves comparability of the Group's financial statements with its peers. The Group believes the successful efforts method provides a more representational depiction of assets and operating results.

Under the full cost method, all costs (except for office administration costs) relating to oil and gas exploration and evaluation activities are capitalised whilst under the successful efforts method, all costs associated with exploration and evaluation activities except for geological and geophysical costs and office administration costs are capitalised. If no proved reserves are found, the associated costs are charged to expense at the time the determination is made.

**BASIS OF PREPARATION (Cont'd)****(d) Change in accounting policies (cont'd)**

The effects of the change in accounting policies have been applied retrospectively and the impact on the current year and comparative figures are as follows:

	As per previous policy	Adjustments		As presented
		Oil palm bearer plants	Exploration costs	
<b>Income Statement</b>				
<b>Group</b>				
<b>Financial year ended</b>				
<b>31 December 2017</b>				
Cost of sales	(12,657.0)	(84.8)	-	(12,741.8)
Other expenses - others	(1,136.0)	29.2	68.6	(1,038.2)
Profit before taxation	4,299.2	(55.6)	68.6	4,312.2
Taxation	(1,069.8)	0.4	-	(1,069.4)
Profit for the financial year	3,229.4	(55.2)	68.6	3,242.8
Profit attributable to:				
Equity holders of the Company	1,403.1	(23.0)	65.2	1,445.3
Non-controlling interests	1,569.8	(32.2)	3.4	1,541.0
Earnings per share (sen):				
- Basic	37.17	(0.61)	1.72	38.28
- Diluted	36.52	(0.60)	1.70	37.62
<b>Statement of</b>				
<b>Comprehensive Income</b>				
<b>Group</b>				
<b>Financial year ended</b>				
<b>31 December 2017</b>				
Net foreign currency translation differences	(2,457.6)	1.8	50.1	(2,405.7)
Total comprehensive income for the financial year	642.2	(53.4)	118.7	707.5
Total comprehensive income attributable to:				
Equity holders of the Company	(324.8)	(21.4)	112.8	(233.4)
Non-controlling interests	852.4	(32.0)	5.9	826.3

**BASIS OF PREPARATION (Cont'd)****(d) Change in accounting policies (Cont'd)**

	As per previous reported	Adjustments		As restated
		Oil palm bearer plants	Exploration costs	
<b>Income Statement</b>				
<b>Group</b>				
<b>Financial year ended</b>				
<b>31 December 2016</b>				
Cost of sales	(12,463.3)	(79.8)	-	(12,543.1)
Other expenses - others	(555.3)	22.0	(5.5)	(538.8)
Profit before taxation	5,522.8	(57.8)	(5.5)	5,459.5
Taxation	(991.4)	9.7	-	(981.7)
Profit for the financial year	4,531.4	(48.1)	(5.5)	4,477.8
Profit attributable to:				
Equity holders of the Company	2,146.5	(20.7)	(5.2)	2,120.6
Non-controlling interests	2,019.1	(27.4)	(0.3)	1,991.4
Earnings per share (sen):				
- Basic	57.69	(0.55)	(0.14)	57.00
- Diluted	57.33	(0.56)	(0.14)	56.63
<b>Statement of</b>				
<b>Comprehensive Income</b>				
<b>Group</b>				
<b>Financial year ended</b>				
<b>31 December 2016</b>				
Net foreign currency translation differences	163.3	(9.1)	(22.7)	131.5
Total comprehensive income for the financial year	3,609.7	(57.2)	(28.2)	3,524.3
Total comprehensive income attributable to:				
Equity holders of the Company	1,841.4	(25.1)	(26.7)	1,789.6
Non-controlling interests	1,329.1	(32.1)	(1.5)	1,295.5

**BASIS OF PREPARATION (Cont'd)****(d) Change in accounting policies (Cont'd)**

	As per previous policy	Adjustments		As presented
		Oil palm bearer plants	Exploration costs	
<b>Statement of Financial Position</b>				
<b>Group As at 31 December 2017</b>				
<u>Non-Current Assets</u>				
Property, plant and equipment	33,696.9	2,531.9	-	36,228.8
Plantation development	2,983.4	(2,983.4)	-	-
Rights of use of oil and gas assets	4,094.6	-	(486.5)	3,608.1
<u>Non-Current Liabilities</u>				
Deferred tax liabilities	2,159.7	45.7	-	2,205.4
<u>Equity</u>				
Reserves	32,309.1	(654.7)	(462.2)	31,192.2
Non- controlling interests	23,186.0	157.5	(24.3)	23,319.2
	As per previous reported	Adjustments		As restated
		Oil palm bearer plants	Exploration costs	
<b>Group As at 31 December 2016</b>				
<u>Non-Current Assets</u>				
Property, plant and equipment	32,667.6	2,116.0	-	34,783.6
Plantation development	2,513.6	(2,513.6)	-	-
Rights of use of oil and gas assets	4,674.9	-	(605.2)	4,069.7
<u>Non-Current Liabilities</u>				
Deferred tax liabilities	2,025.0	46.2	-	2,071.2
<u>Equity</u>				
Reserves	34,650.2	(220.0)	(575.0)	33,855.2
Non- controlling interests	23,804.4	(223.8)	(30.2)	23,550.4

**BASIS OF PREPARATION (Cont'd)****(d) Change in accounting policies (Cont'd)**

	As per previous reported	Adjustments		As restated
		Oil palm bearer plants	Exploration costs	
<b>Statement of Financial Position</b>				
<b>Group</b>				
<b>As at 1 January 2016</b>				
<u>Non-Current Assets</u>				
Property, plant and equipment	31,139.4	1,824.1	-	32,963.5
Plantation development	2,154.9	(2,154.9)	-	-
Rights of use of oil and gas assets	4,458.2	-	(577.0)	3,881.2
<u>Non-Current Liabilities</u>				
Deferred tax liabilities	1,891.8	55.9	-	1,947.7
<u>Equity</u>				
Reserves	32,463.1	(197.9)	(548.2)	31,717.0
Non- controlling interests	23,101.8	(188.8)	(28.8)	22,884.2
		Adjustments		
	As per previous policy	Oil palm bearer plants	Exploration costs	As presented
<b>Statement of Cash Flows</b>				
<b>Group</b>				
<b>Financial year ended 31 December 2017</b>				
<b>Cash flows from operating activities</b>				
Profit before taxation	4,299.2	(55.6)	68.6	4,312.2
Depreciation and amortisation	2,042.2	84.8	-	2,127.0
PPE written off	56.7	0.3	-	57.0
Other non-cash items	116.8	-	(75.0)	41.8
<b>Cash flows from investing activities</b>				
Purchase of PPE	(3,247.6)	(152.3)	-	(3,399.9)
Plantation development expenditure	(122.8)	122.8	-	-
Payment for rights of use of oil and gas assets	(33.9)	-	3.7	(30.2)
Effect of currency translation	(1,367.1)	-	2.7	(1,364.4)



Genting Berhad (Company No: 7916-A)

**BASIS OF PREPARATION (Cont'd)**

**(d) Change in accounting policies (Cont'd)**

	As per previous reported	Adjustments		As restated
		Oil palm bearer plants	Exploration costs	
<b>Statement of Cash Flows</b>				
<b>Group</b>				
<b>Financial year ended 31</b>				
<b>December 2016</b>				
<b>Cash flows from operating activities</b>				
Profit before taxation	5,522.8	(57.8)	(5.5)	5,459.5
Depreciation and amortisation	1,923.3	79.8	-	2,003.1
PPE written off	39.6	1.4	-	41.0
<b>Cash flows from investing activities</b>				
Purchase of PPE	(3,782.4)	(172.7)	-	(3,955.1)
Plantation development expenditure	(149.3)	149.3	-	-
Payment for rights of use of oil and gas assets	(138.5)	-	5.9	(132.6)
Effect of currency translation	462.9	-	(0.4)	462.5

### 3. SIGNIFICANT ACCOUNTING POLICIES

#### **Basis of Consolidation**

##### (a) Subsidiaries

Subsidiaries are all entities (including special purpose entities) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement and fair value of any pre-existing equity interest in the subsidiary. Identifiable assets acquired and liabilities and contingent liabilities assumed in business combination are, with limited exceptions, measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

If the business combination is achieved in stages, the carrying value of the acquirer's previously held equity interest in the acquiree is remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in the profit or loss.

Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 139 in profit or loss. Contingent consideration that is classified as equity is not remeasured, and its subsequent settlement is accounted for within equity.

Goodwill is initially measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interest and the fair value of any previous equity interest in the acquiree at the acquisition date over the fair value of the net identifiable assets acquired and liabilities assumed. If the total consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired, the difference is recognised directly in the profit or loss as a gain on bargain purchase.

Inter-company transactions, balances, income and expenses on transactions between group companies are eliminated. Profits or losses resulting from inter-company transactions that are recognised in assets are also eliminated. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

Non-controlling interest in the results and equity of subsidiaries are shown separately in the consolidated income statements, statements of comprehensive income, statements of changes in equity and statements of financial position respectively.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Basis of Consolidation (cont'd)**

(b) Changes in ownership interests in subsidiaries without change of control

Transactions with non-controlling interests that do not result in loss of control are accounted for as equity transactions – that is, as transactions with the owners in their capacity as owners of the Group. A change in ownership interest results in an adjustment between the carrying amounts of the controlling and non-controlling interests to reflect their relative interests in the subsidiary. The difference between fair value of any consideration paid and the relevant share acquired of the carrying value of net assets of the subsidiary is recorded in equity. Gains or losses on disposals to non-controlling interests are also recorded in equity.

(c) Disposal of subsidiaries

When the Group ceases to have control, any retained interest in the entity is re-measured to its fair value at the date when control is lost, with the change in carrying amount recognised in profit or loss. The fair value is the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate, joint venture or financial asset. In addition, any amounts previously recognised in OCI in respect of that entity are accounted for as if the Group had directly disposed of the related assets or liabilities. This means that amounts previously recognised in OCI are reclassified to the profit or loss. Gains or losses on the disposal of subsidiaries include the carrying amount of goodwill relating to the subsidiaries sold.

(d) Joint arrangements

A joint arrangement is an arrangement of which there is contractually agreed sharing of control by the Group with one or more parties, where decisions about the relevant activities relating to the joint arrangement require unanimous consent of the parties sharing control. The classification of a joint arrangement as a joint operation or a joint venture depends upon the rights and obligations of the parties to the arrangement. A joint venture is a joint arrangement whereby the joint venturers have rights to the net assets of the arrangement.

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangements have rights to the assets and obligations for the liabilities, relating to the arrangement. Joint control is based on the contractually agreed sharing of control of an arrangement, and decisions of relevant activities would require the unanimous consent of the parties sharing control. The Group accounts for each of the assets, liabilities, revenue and expenses relating to its interest in a joint operation in accordance with its contractually conferred rights and obligations. These have been incorporated in the financial statements under the appropriate headings.

The Group's interests in joint ventures are accounted for in the consolidated financial statements by the equity method of accounting. Equity accounting involves recognising the Group's share of the post acquisition results of joint ventures in the profit or loss and its share of post acquisition movements within reserves in OCI. The cumulative post acquisition movements are adjusted against the cost of the investment and include goodwill on acquisition less impairment losses, where applicable. See accounting policy note on impairment of non-financial assets.

## **SIGNIFICANT ACCOUNTING POLICIES (Cont'd)**

### **Basis of Consolidation (cont'd)**

#### **(d) Joint arrangements (cont'd)**

The Group recognises the portion of gains or losses on the sale of assets by the Group to the joint venture that is attributable to the other parties in the ventures. The Group does not recognise its share of profits or losses from the joint venture until it resells the assets to an independent party. However, if a loss on the transaction provides evidence of a reduction in the net realisable value of current assets or an impairment loss, the loss is recognised immediately.

Equity accounting is discontinued when the carrying amount of the investment in joint ventures (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the joint venture.

Where necessary, in applying the equity method, adjustments have been made to the financial statements of joint ventures to ensure consistency of accounting policies with those of the Group.

When the Group ceases to equity account its joint venture because of a loss of joint control, any retained interest in the entity is remeasured to its fair value with the change in carrying amount recognised in profit or loss. This fair value becomes the initial carrying amount for the purposes of subsequently accounting for the retained interest as an associate or financial asset. In addition, any amount previously recognised in OCI in respect of the entity is accounted for as if the Group had directly disposed of the related assets or liabilities. This may mean that amounts previously recognised in OCI are reclassified to profit or loss.

If the ownership interest in a joint venture is reduced but joint control is retained, only a proportionate share of the amounts previously recognised in OCI is reclassified to profit or loss where appropriate.

#### **(e) Associates**

Associates are companies in which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the associates but not control over those policies.

Investments in associates are accounted for by the equity method of accounting and are initially recognised at cost. Equity accounting involves recognising in profit or loss the Group's share of the associates' results and its share of post-acquisition movements in reserves is recognised in OCI with a corresponding adjustment to the carrying amount of the investment. Dividends received or receivable from an associate are recognised as a reduction in the carrying amount of the investment. Equity accounting is discontinued when the carrying amount of the investment in an associate (including any other unsecured receivables) reaches zero, unless the Group has incurred obligation or made payment on behalf of the associate.

The Group's investment in associates includes goodwill (net of any accumulated impairment loss) identified on acquisition. See impairment policy note on impairment of non-financial assets.